

# PROPERTY TAX CODE

## CHAPTER 841

S. B. No. 621

An Act relating to ad valorem taxation of property; providing penalties.

*Be it enacted by the Legislature of the State of Texas:*

Section 1. Title 1 of the Tax Code is adopted to read as follows:

## TAX CODE

### TITLE 1. PROPERTY TAX CODE

#### SUBTITLE A. GENERAL PROVISIONS

##### Chapter

##### 1. General Provisions.

#### SUBTITLE B. PROPERTY TAX ADMINISTRATION

##### 5. State Administration.

##### 6. Local Administration.

#### SUBTITLE C. TAXABLE PROPERTY AND EXEMPTIONS

##### 11. Taxable Property and Exemptions.

#### SUBTITLE D. APPRAISAL AND ASSESSMENT

##### 21. Taxable Situs.

##### 22. Renditions and Other Reports.

##### 23. Appraisal Methods and Procedures.

##### 24. Central Appraisal.

##### 25. Local Appraisal.

##### 26. Assessment.

#### SUBTITLE E. COLLECTIONS AND DELINQUENCY

##### 31. Collections.

##### 32. Tax Liens and Personal Liability.

##### 33. Delinquency.

##### 34. Tax Sales and Redemption.

#### SUBTITLE F. REMEDIES

##### 41. Local Review.

##### 42. Judicial Review.

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## TAX CODE

### TITLE 1. PROPERTY TAX CODE

#### SUBTITLE A. GENERAL PROVISIONS

##### CHAPTER 1. GENERAL PROVISIONS

###### Section

- 1.01. Short Title.
- 1.02. Applicability of Title.
- 1.03. Construction of Title.
- 1.04. Definitions.
- 1.05. City Fiscal Year.
- 1.06. Effect of Weekend or Holiday.
- 1.07. Delivery of Notice.
- 1.08. Timeliness of Action by Mail.
- 1.09. Availability of Forms.
- 1.10. Rolls in Electronic Data-Processing Records.

###### Section 1.01. Short Title

This title may be cited as the Property Tax Code.

###### Sec. 1.02. Applicability of Title

This title applies to a taxing unit that is created by or pursuant to any general, special, or local law enacted before or after the enactment of this title unless a law enacted after enactment of this title by or pursuant to which the taxing unit is created expressly provides that this title does not apply.

###### Sec. 1.03. Construction of Title

The Code Construction Act applies to the construction of each provision of this title except as otherwise expressly provided by this title.

###### Sec. 1.04. Definitions

In this title:

- (1) "Property" means any matter or thing capable of private ownership.
- (2) "Real property" means:
  - (A) land;
  - (B) an improvement;
  - (C) a mine or quarry;
  - (D) a mineral in place;
  - (E) standing timber; or
  - (F) an estate or interest, other than a mortgage or deed of trust creating a lien on property or an interest securing payment or performance of an obligation, in a property enumerated in Paragraphs (A) through (E) of this subdivision.
- (3) "Improvement" means:
  - (A) a building, structure, fixture, or fence erected on or affixed to land; or
  - (B) a transportable structure that is designed to be occupied for residential or business purposes, whether or not it is affixed to land, if the owner of the structure owns the land on which it is located, unless the structure is unoccupied and held for sale or normally is located at a particular place only temporarily.

(4) "Personal property" means property that is not real property.

(5) "Tangible personal property" means personal property that can be seen, weighed, measured, felt, or otherwise perceived by the senses, but does not include a document or other perceptible object that constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value.

(6) "Intangible personal property" means a claim, interest (other than an interest in tangible property), right, or other thing that has value but cannot be seen, felt, weighed, measured, or otherwise perceived by the senses, although its existence may be evidenced by a document. It includes a stock, bond, note or account receivable, franchise, license or permit, demand or time deposit, certificate of deposit, share account, share certificate account, share deposit account, insurance policy, annuity, pension, cause of action, contract, and goodwill.

(7) "Market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

(A) exposed for sale in the open market with a reasonable time for the seller to find a purchaser;

(B) both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and

(C) both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

(8) "Appraised value" means the value determined as provided by Chapter 23 of this code.

(9) "Assessed value" means the amount determined by multiplying the appraised value by the applicable assessment ratio.

(10) "Taxable value" means the amount determined by deducting from assessed value the amount of any applicable partial exemption.

(11) "Partial exemption" means an exemption of part of the value of taxable property.

(12) "Taxing unit" means a county, an incorporated city or town (including a home-rule city), a school district, a special district or authority, or any other political unit of this state, whether created by or pursuant to the constitution or a local, special, or general law, that is authorized to impose and is imposing ad valorem taxes on property.

(13) "Tax year" means the calendar year.

(14) "Assessor" means the officer or employee responsible for assessing property taxes as provided by Chapter 26 of this code for a taxing unit by whatever title he is designated.

(15) "Collector" means the officer or employee responsible for collecting property taxes for a taxing unit by whatever title he is designated.

(16) "Possessory interest" means an interest that exists as a result of possession or exclusive use or a right to possession or exclusive use of a property and that is unaccompanied by ownership of a fee simple or life estate in the property. However, "possessory interest" does not include an interest, whether of limited or indeterminate duration, that involves a right to exhaust a portion of a real property.

**Sec. 1.05. City Fiscal Year**

The governing body of a home-rule city may establish by ordinance a fiscal year different from that fixed in its charter if a different fiscal year is desirable to adapt budgeting and other fiscal activities to the tax cycle required by this title.

**Sec. 1.06. Effect of Weekend or Holiday**

If the last day for the performance of an act is a Saturday, Sunday, or legal state or national holiday, the act is timely if performed on the next regular business day.

**Sec. 1.07. Delivery of Notice**

(a) An official or agency required by this title to deliver a notice to a property owner may deliver the notice by regular first-class mail, with postage prepaid, unless this title requires a different method of delivery.

(b) The official or agency shall address the notice to the property owner or, if appropriate, his agent at his address according to the most recent record in the possession of the official or agency. However, if a property owner files a written request that notices be sent to a particular address, the official or agency shall send the notice to the address stated in the request.

(c) A notice permitted to be delivered by first-class mail by this section is delivered when it is deposited in the mail.

**Sec. 1.08. Timeliness of Action by Mail**

When a property owner is required by this title to make a payment or to file or deliver a report, application, statement, or other document or paper before a specified date, his action is timely if:

(1) it is sent by regular first-class mail, properly addressed with postage prepaid; and

(2) it bears a post office cancellation mark of a date earlier than the specified date and within the specified period or the property owner furnishes satisfactory proof that it was deposited in the mail before the specified date and within the specified period.

**Sec. 1.09. Availability of Forms**

When a property owner is required by this title to use a form, the office or agency with which the form is filed shall make printed forms readily and timely available and shall furnish a property owner a form without charge.

**Sec. 1.10. Rolls in Electronic Data-Processing Records**

(a) With the consent of the assessor for a taxing unit and of the governing body of the unit, the appraisal roll or the tax roll for the unit may be retained in electronic data-processing equipment and a physical document need not be prepared.

(b) If the appraisal roll or the tax roll for the unit is not reduced to a physical document, an entry required to be made on a roll shall be entered in the electronic data-processing records in which the roll is retained.

(c) A roll retained in electronic data-processing records shall be so stored that the information in the roll can be made readily available to the public in an understandable form.

## SUBTITLE B. PROPERTY TAX ADMINISTRATION

## CHAPTER 5. STATE ADMINISTRATION

## Section

- 5.01. State Property Tax Board.
- 5.02. Board Personnel.
- 5.03. Powers and Duties Generally.
- 5.04. Training and Education of Appraisers.
- 5.05. Appraisal Manuals and Other Materials.
- 5.06. Explanation of Taxpayer Remedies.
- 5.07. Property Tax Forms and Records Systems.
- 5.08. Professional and Technical Assistance.
- 5.09. Annual Report.

**Section 5.01. State Property Tax Board**

(a) The State Property Tax Board is established. The board consists of six members appointed by the governor with the advice and consent of the senate. In making the appointments, the governor, to the extent practicable, shall select persons so that each geographical area of the state is represented. A vacancy on the board is filled in the same manner for the unexpired portion of the term.

(b) Members of the board hold office for terms of six years, with the terms of two members expiring on March 1 of each odd-numbered year.

(c) To be eligible to serve on the board, a person must have been a resident of this state for at least 10 years.

(d) After March 1, 1983, at least two members must be certified by the Board of Tax Assessor Examiners.

(e) A majority of the board constitutes a quorum.

(f) The governor shall designate one of the members of the board to serve as chairman for a term, in that capacity, of two years expiring on March 1 of each odd-numbered year.

(g) The board shall maintain a principal office in Austin.

(h) The board shall meet at least once in each calendar quarter and may meet at other times at the call of the chairman or as provided by the rules of the board.

(i) A member of the board may not receive compensation for his service on the board but is entitled to reimbursement for actual and necessary expenses, as provided by legislative appropriation, incurred while on travel status in the performance of official duties.

**Sec. 5.02. Board Personnel**

(a) The board shall employ an executive director who shall administer board operations as directed by the board.

(b) The director may employ professional, clerical, and other personnel to assist him in the performance of his duties.

**Sec. 5.03. Powers and Duties Generally**

(a) The board shall adopt rules establishing minimum standards for the administration and operation of an appraisal district and a county assessor-collector's office. The minimum standards may vary according to the number of parcels and the kinds of property the district or office is responsible for appraising.

(b) The board may require from each district or office engaged in appraising property for taxation an annual report on a form prescribed by the board on the administration and operation of the office.

(c) The board may contract with consultants to assist in performance of the duties imposed by this chapter.

**Sec. 5.04. Training and Education of Appraisers**

(a) The board shall conduct, sponsor, or approve courses of instruction and inservice and intern training programs on the technical, legal, and administrative aspects of property taxation.

(b) The board shall cooperate in developing curricula with other public agencies, with educational institutions, and with private organizations interested in training and educating appraisers, and the board may cooperate with them in conducting or sponsoring courses of instruction and training programs.

(c) An appraisal district or county shall reimburse an employee of the appraisal office or the county assessor-collector's office, as applicable, for all actual and necessary expenses, tuition and other fees, and costs of materials incurred in attending, with approval of the chief appraiser or county assessor-collector, as applicable, a course or training program conducted, sponsored, or approved by the board.

**Sec. 5.05. Appraisal Manuals and Other Materials**

(a) The board shall prepare and issue:

- (1) a general appraisal manual;
  - (2) special appraisal manuals;
  - (3) cost, price, and depreciation schedules, with provision for inserting local market index factors and with a standard procedure for determining local market index factors;
  - (4) news and reference bulletins;
  - (5) annotated digests of all laws relating to property taxation;
- and

(6) a handbook of all rules promulgated by the board relating to the property tax and its administration.

(b) The board shall revise or supplement all materials periodically as necessary to keep them current.

(c) The board shall provide without charge all materials to officials of local government who are responsible for administering the property tax system. It shall make the materials available to members of the public but may charge a reasonable fee to offset the costs of printing and distributing the materials.

**Sec. 5.06. Explanation of Taxpayer Remedies**

The board shall prepare and publish a pamphlet explaining the remedies available to dissatisfied taxpayers and the procedures to be followed in seeking remedial action. It shall include in the pamphlet advice on preparing and presenting a protest.

**Sec. 5.07. Property Tax Forms and Records Systems**

(a) The board shall prescribe the contents of all forms necessary for the administration of the property tax system and on request shall furnish sufficient copies of model forms of each type to the appropriate local officials. The board may require reimbursement for the costs of printing and distributing the forms.

(b) The board shall make the contents of the forms uniform to the extent practicable but may prescribe or approve additional or substitute forms for special circumstances.

(c) The board shall also prescribe a uniform record system to be used by all offices appraising property for tax purposes.

**Sec. 5.08. Professional and Technical Assistance**

(a) The board may provide professional and technical assistance on request in appraising property, installing or updating tax maps, purchasing equipment, developing recordkeeping systems, or performing other appraisal activities. The board may also provide professional and technical assistance on request to a board of equalization or appraisal review board. The board shall require reimbursement for the costs of providing the assistance.

(b) The board may provide information to and consult with persons actively engaged in appraising property for tax purposes about any matter relating to property taxation without charge.

**Sec. 5.09. Annual Report**

(a) The board shall publish an annual report of its operations under this code and of the operations of the appraisal districts and of the county assessors-collectors. The report shall include for each district, each county, and each school district and may include for other taxing units the total appraised values, assessed values, and taxable values of taxable property by class of property, the assessment ratio, and the tax rate.

(b) The board shall deliver a copy of each annual report to the governor, the lieutenant governor, and each member of the legislature.

**CHAPTER 6. LOCAL ADMINISTRATION**

**SUBCHAPTER A. APPRAISAL DISTRICTS**

**Section**

- 6.01. Appraisal Districts Established.
- 6.02. District Boundaries.
- 6.03. Board of Directors.
- 6.04. Organization, Meetings, and Compensation.
- 6.05. Appraisal Office.
- 6.06. Appraisal District Budget and Financing.
- 6.07. Taxing Unit Boundaries.
- 6.08. Notice of Optional Exemptions.

[Sections 6.09–6.20 reserved for expansion]

**SUBCHAPTER B. ASSESSORS AND COLLECTORS**

- 6.21. County Assessor-Collector.
- 6.22. Assessor and Collector for Other Taxing Units.
- 6.23. Duties of Assessor and Collector.
- 6.24. Contracts for Assessment and Collection.
- 6.25. County Contract With Appraisal District.
- 6.26. Election to Consolidate Assessing and Collecting Functions.
- 6.27. Fees of County Assessor-Collector.
- 6.28. Bonds for State and County Taxes.
- 6.29. Bonds for Other Taxes.
- 6.30. Attorneys Representing Taxing Units.

[Sections 6.31–6.40 reserved for expansion]

**SUBCHAPTER C. APPRAISAL REVIEW BOARD**

**Section**

- 6.41. Appraisal Review Board.
- 6.42. Organization, Meetings, and Compensation.
- 6.43. Personnel.

**SUBCHAPTER A. APPRAISAL DISTRICTS**

**Section 6.01. Appraisal Districts Established**

- (a) An appraisal district is established in each county.
- (b) The district is responsible for appraising property in the district for ad valorem tax purposes of the state and of each taxing unit other than the county that imposes ad valorem taxes on property in the district.

**Sec. 6.02. District Boundaries**

- (a) Except as otherwise provided by this section, the appraisal district's boundaries are the same as the county's boundaries.

(b) A school district, an incorporated city or town, a water control and improvement district organized pursuant to Chapter 51, Water Code, irrigation districts organized under Chapter 58, Water Code, or a junior college district that has boundaries extending into two or more counties may choose to participate in only one of the appraisal districts. In that event, the boundaries of the district chosen extend outside the county to the extent of the unit's boundaries.

(c) A taxing unit that is eligible to choose to participate in only one appraisal district as provided by Subsection (b) of this section must make the choice by an official action of its governing body in the manner required by law for official action by the body adopted at least 90 days before the first day of the tax year in which appraisal districts first begin appraising property for ad valorem tax purposes. The choice made by a taxing unit is binding and may not be repealed or modified while the unit's boundaries extend into the county in which the appraisal district it joins is located. However, if the unit ceases to have territory in that county but still has territory in two or more counties, the unit may choose to participate in only one district in the manner prescribed by this subsection. The choice must be made at least 90 days before the first day of the next tax year.

(d) If, as a result of a taxing unit choosing to participate in only one appraisal district as authorized by Subsection (b) of this section, no taxing unit in a district imposes taxes on property in a portion of the district, the district is not required to appraise the property.

(e) All costs of operating an appraisal district in territory outside the county for which the appraisal district is established are allocated to the taxing unit that chooses to add that territory to the district. If two or more taxing units add the same territory to an appraisal district, costs of operating the district in that territory are allocated to the units in the proportion the total dollar amount of taxes each unit imposes in that territory bears to the total dollar amount of taxes all taxing units participating in the appraisal district impose in that territory.

**Sec. 6.03. Board of Directors**

- (a) The appraisal district is governed by a board of five directors. To be eligible to serve on the board of directors, an individual must be a resident of the district and must have resided in the district for at least two years.



(b) Members of the board of directors serve two-year terms beginning on January 1 of even-numbered years.

(c) Members of the board of directors are appointed by vote of the governing bodies of the incorporated cities and towns and the school districts that participate in the district. A governing body may cumulate its votes by multiplying the number of votes to which it is entitled by this section by the number of directorships to be filled and by casting that total for one candidate or distributing it among candidates for any number of directorships.

(d) The voting entitlement of a taxing unit that is entitled to vote for directors is determined by dividing the total dollar amount of property taxes imposed in the district by the taxing unit for the preceding tax year by the sum of the total dollar amount of property taxes imposed in the district for that year by each taxing unit that is entitled to vote, by multiplying the quotient by 1,000, and by rounding the product to the nearest whole number. A taxing unit participating in two or more districts is entitled to vote in each district in which it participates, but only the taxes imposed in a district are used to calculate voting entitlement in that district.

(e) The county clerk shall calculate the number of votes to which each taxing unit is entitled and shall deliver written notice to the presiding officer of the governing body of each unit of its voting entitlement before October 1 of each odd-numbered year.

(f) Each taxing unit that is entitled to vote may nominate by resolution adopted by its governing body one candidate for each position to be filled on the board of directors. The presiding officer of the governing body of the unit shall submit the names of the unit's nominees to the county clerk before October 15. Before October 30, the county clerk shall prepare a ballot, listing the candidates alphabetically according to the first letter in each candidate's surname, and shall deliver a copy of the ballot to the presiding officer of the governing body of each taxing unit that is entitled to vote.

(g) The governing body of each taxing unit entitled to vote shall determine its vote by resolution and submit it to the county clerk before November 15. The county clerk shall count the votes, declare the five candidates who receive the largest cumulative vote totals elected, and submit the results before December 1 to the governing body of each taxing unit in the district and to the candidates.

(h) If a vacancy occurs on the board of directors, each taxing unit that is entitled to vote by this section may nominate by resolution adopted by its governing body a candidate to fill the vacancy. The unit shall submit the name of its nominee to the county clerk within 10 days after notification from the board of directors of the existence of the vacancy, and the county clerk shall prepare and deliver to the board of directors within the next five days a list of the nominees. The board of directors shall elect by majority vote of its members one of the nominees to fill the vacancy.

(i) The governing bodies of three-fourths of the taxing units that are entitled to vote on the appointment of members of a district's board of directors may change the number of members on the board of directors or may change the method of selecting members of the board of directors.

#### **Sec. 6.04. Organization, Meetings, and Compensation**

(a) A majority of the appraisal district board of directors constitutes a quorum. At its first meeting each calendar year, the board shall elect from its members a chairman and a secretary.

(b) The board may meet at any time at the call of the chairman or as provided by board rule. The board shall meet on October 1 of each year to receive the chief appraiser's proposed budget.

(c) Members of the board may not receive compensation for service on the board but are entitled to reimbursement for actual and necessary expenses incurred in the performance of their duties as provided by the budget adopted by the board.

**Sec. 6.05. Appraisal Office**

(a) Except as authorized by Subsection (b) of this section, each appraisal district shall establish an appraisal office.

(b) The board of directors of an appraisal district may contract with an appraisal office in another district or with a taxing unit in the district to perform the duties of the appraisal office for the district.

(c) The chief appraiser is the chief administrator of the appraisal office. The chief appraiser is appointed by and serves at the pleasure of the appraisal district board of directors. If a taxing unit performs the duties of the appraisal office pursuant to a contract, the assessor for the unit is the chief appraiser.

(d) The chief appraiser is entitled to compensation as provided by the budget adopted by the board of directors. He may employ and compensate professional, clerical, and other personnel as provided by the budget.

(e) The chief appraiser may delegate authority to his employees.

**Sec. 6.06. Appraisal District Budget and Financing**

(a) Each year the chief appraiser shall prepare a proposed budget for the operations of the district for the following tax year and shall submit copies to each taxing unit participating in the district and to the district board of directors before October 1. He shall include in the budget an estimate of the amount of the budget that will be allocated to each taxing unit.

(b) The board of directors shall meet to consider the budget. The secretary of the board shall deliver to the presiding officer of the governing body of each taxing unit participating in the district not later than the 10th day before the date of the hearing a written notice of the date, time, and place fixed for the hearing. The board shall complete its hearings, make any amendments to the proposed budget it desires, and finally approve a budget before December 1.

(c) The board may amend the approved budget at any time, but the secretary of the board must deliver a written copy of a proposed amendment to the presiding officer of the governing body of each taxing unit participating in the district not later than the 30th day before the date the board acts on it.

(d) Unless the governing bodies of three-fourths of the taxing units entitled to vote on appointment of members of the district's board of directors agree to a different method of allocating the costs of operating the district, each taxing unit participating in the district is allocated a portion of the amount of the budget equal to the proportion that the total dollar amount of property taxes imposed in the district by the unit for the tax year in which the budget proposal is prepared bears to the sum of the total dollar amount of property taxes imposed in the district by each participating unit for that year. If a taxing unit participates in two or more districts, only the taxes imposed in a district are used to calculate the unit's cost allocations in that district.

(e) Unless the governing body of a unit and the chief appraiser agree to a different method of payment, each taxing unit shall pay its alloca-

tion in four equal payments to be made at the end of each calendar quarter, and the first payment shall be made before January 1 of the year in which the budget takes effect. If the budget is amended, any change in the amount of a unit's allocation is apportioned among the payments remaining.

(f) Payments shall be made to a depository designated by the district board of directors. The district's funds may be disbursed only by a written check, draft, or order signed by the chairman and secretary of the board or, if authorized by resolution of the board, by the chief appraiser.

**Sec. 6.07. Taxing Unit Boundaries**

If a new taxing unit is formed or an existing taxing unit's boundaries are altered, the unit shall notify the appraisal office of the new boundaries within 30 days after the date the unit is formed or its boundaries are altered.

**Sec. 6.08. Notice of Optional Exemptions**

If a taxing unit adopts, amends, or repeals an exemption that the unit by law has the option to adopt or not, the taxing unit shall notify the appraisal office of its action and of the terms of the exemption within 30 days after the date of its action.

[Sections 6.09–6.20 reserved for expansion]

**SUBCHAPTER B. ASSESSORS AND COLLECTORS**

**Sec. 6.21. County Assessor-Collector**

(a) The assessor-collector for a county is determined as provided by Article VIII, Sections 14, 16, and 16a, of the Texas Constitution.

(b) If a county with a population of less than 10,000 authorizes a separate county assessor-collector as provided by Article VIII, Section 16a, of the Texas Constitution, the commissioners court may appoint a county assessor-collector to serve until an assessor-collector is elected at the next general election and has qualified.

**Sec. 6.22. Assessor and Collector for Other Taxing Units**

(a) The assessor and collector for a taxing unit other than a county or a home-rule city are determined by the law creating or authorizing creation of the unit.

(b) The assessor and collector for a home-rule city are determined by the city's charter and ordinances.

(c) The governing body of a taxing unit authorized to have its own assessor and collector by official action in the manner required by law for official action by the body may require the county to assess and collect the taxes the unit imposes in the county in the manner in which the county assesses and collects its taxes. The governing body of the unit may revoke the requirement at any time by the same official action.

**Sec. 6.23. Duties of Assessor and Collector**

(a) The county assessor-collector shall appraise property for county tax purposes and shall assess and collect taxes on property in the county for the state and the county. He shall also assess and collect taxes on property for another taxing unit if:

(1) the law creating or authorizing creation of the unit requires it to use the county assessor-collector for the taxes the unit imposes in the county;

(2) the law creating or authorizing creation of the unit does not mention who assesses and collects its taxes and the unit imposes taxes in the county;

(3) the governing body of the unit requires the county to assess and collect its taxes as provided by Subsection (c) of Section 6.22 of this code; or

(4) required by an intergovernmental contract.

(b) The assessor and collector for a taxing unit other than a county shall assess, collect, or assess and collect taxes, as applicable, for the unit. He shall also assess, collect, or assess and collect taxes, as applicable, for another unit if:

(1) required by or pursuant to the law creating or authorizing creation of the other unit; or

(2) required by an intergovernmental contract.

**Sec. 6.24. Contracts for Assessment and Collection**

(a) The governing body of a taxing unit other than a county may contract as provided by the Interlocal Cooperation Act with the governing body of another unit or with the board of directors of an appraisal district for the other unit or the district to perform duties relating to the assessment or collection of taxes.

(b) The commissioners court with the approval of the county assessor-collector may contract as provided by the Interlocal Cooperation Act with the governing body of another taxing unit in the county or with the board of directors of the appraisal district for the other unit or the district to perform duties relating to the assessment or collection of taxes for the county. If a county contracts to have its taxes assessed and collected by another taxing unit, the contract shall require the other unit to assess and collect all taxes the county is required to assess and collect.

(c) To be effective, a contract between a county and another taxing unit or an appraisal district for the assessment and collection of state taxes must be approved by the State Property Tax Board.

**Sec. 6.25. County Contract With Appraisal District**

(a) The commissioners court with the approval of the county assessor-collector may contract with the appraisal district for the county to have the appraisal district appraise property and prepare the appraisal records for county tax purposes. A commissioners court may contract with the appraisal district to have the appraisal review board exercise the powers and duties of the commissioners court when sitting as a board of equalization.

(b) If a county contracts as provided by this section for the appraisal district to appraise property and prepare appraisal records for county tax purposes:

(1) the commissioners court is entitled to participate in the appointment of district directors in the same manner as an incorporated city or town or a school district;

(2) the county shall pay for the operations of the appraisal district according to the same terms and conditions as other taxing units in the district;

(3) the chief appraiser shall assume all the powers and duties of the county assessor-collector relating to appraisal of property and preparation of appraisal records for county tax purposes; and

(4) a property owner complies with the requirements of this title if he delivers to the chief appraiser any report, application, or other document that this title requires him to deliver to both the chief appraiser and the county assessor-collector.

**Sec. 6.26. Election to Consolidate Assessing and Collecting Functions**

(a) The qualified voters residing in an appraisal district by petition may require that an election be held to determine whether or not to require the appraisal district, the county assessor-collector, or a specified taxing unit within the appraisal district to assess, collect, or assess and collect property taxes on property appraised by the district for all taxing units other than the county.

(b) The qualified voters of a taxing unit, other than the county, that assesses, collects, or assesses and collects its own property taxes by petition may require that an election be held to determine whether or not to require the appraisal district, the county assessor-collector, or another taxing unit that is assessing and collecting property taxes to assess, collect, or assess and collect the unit's property taxes.

(c) A petition is valid if:

(1) it states that it is intended to require an election in the appraisal district or taxing unit on the question of consolidation of assessing or collecting functions or both;

(2) it states the functions to be consolidated and identifies the entity or office that will be required to perform the functions; and

(3) it is signed by a number of qualified voters equal to at least 10 percent of the number of qualified voters, according to the most recent official list of qualified voters, residing in the appraisal district, if the petition is authorized by Subsection (a) of this section, or in the taxing unit, if the petition is authorized by Subsection (b) of this section, or by 10,000 qualified voters, whichever number is less.

(d) Not later than the 10th day after the day the petition is submitted, the board of directors of the appraisal district, if the petition is authorized by Subsection (a) of this section, or the governing body of the taxing unit, if the petition is authorized by Subsection (b) of this section, shall determine whether the petition is valid and pass a resolution stating its finding. If the governing body fails to act within the time allowed, the petition is treated as if it had been found valid.

(e) If the board of directors or the governing body finds that the petition is valid (or fails to act within the time allowed), it shall order that an election be held in the district or taxing unit on the next uniform election date prescribed by the Texas Election Code that is more than 60 days after the last day on which it could have acted to approve or disapprove the petition. At the election, the ballots shall be prepared to permit voting for or against the proposition: "Requiring the (name of entity or office) to (assess, collect, or assess and collect, as applicable) property taxes for (all taxing units in the appraisal district for \_\_\_\_\_ county or name of taxing unit or units, as applicable)."

(f) If a majority of the qualified voters voting on the question in the election favor the proposition, the entity or office named by the ballot shall perform the functions named by the ballot beginning with the next time property taxes are assessed or collected, as applicable, that is more than 90 days after the date of the election. If the governing bodies (and appraisal district board of directors when the district is involved) agree, a function may be consolidated when performance of the function begins in less than 90 days after the date of the election.

(g) A taxing unit shall pay the actual cost of performance of the functions to the office or entity that performs functions for it pursuant to an election as provided by this section.

(h) If a taxing unit is required by election pursuant to Subsection (b) of this section to assess, collect, or assess and collect property taxes for another taxing unit, it also shall perform the functions for all taxing units for which the other unit previously performed those functions pursuant to law or intergovernmental contract.

(i) If functions are consolidated by an election, a taxing unit may not terminate the consolidation within two years after the date of the consolidation.

(j) An appraisal district may not be required by an election to assess, collect, or assess and collect taxes on property outside the district's boundaries. A taxing unit may not be required by an election to assess, collect, or assess and collect taxes on property outside the boundaries of the appraisal district that appraises property for the unit.

#### **Sec. 6.27. Fees of County Assessor-Collector**

(a) For assessing and collecting state taxes, the county assessor-collector is entitled to a fee equal to two percent of the amount of state taxes collected in the county.

(b) The county assessor-collector is entitled to a reasonable fee, which may not exceed the actual costs incurred, for assessing and collecting taxes for a taxing unit pursuant to Subdivisions (1) through (3) of Subsection (a) of Section 6.23 of this code.

#### **Sec. 6.28. Bonds for State and County Taxes**

(a) To qualify for office, a person elected or appointed as county assessor-collector must, within 20 days after receiving notice of his election or appointment, give bonds to the state and to the county, conditioned on the faithful performance of his duties as assessor-collector.

(b) The bond for state taxes must be payable to the governor and his successors in office in an amount equal to five percent of the net state collections from motor vehicle sales and use taxes and motor vehicle registration fees in the county during the year ending August 31 preceding the date bond is given, except that the amount of bond may not be less than \$2,500 or more than \$100,000. To be effective, the bond must be approved by the commissioners court and the State Property Tax Board.

(c) The bond for county taxes must be payable to the commissioners court in an amount equal to 10 percent of the total amount of county taxes imposed in the preceding tax year, except that the amount of the bond may not be more than \$100,000. To be effective, the bond must be approved by the commissioners court.

(d) The State Property Tax Board or the commissioners court may require a new bond for state taxes at any time. The commissioners court may require a new bond for county taxes at any time. However, the total amount of state bonds or county bonds required of an assessor-collector may not exceed \$100,000 at one time. The commissioners court shall suspend the assessor-collector from office and begin removal proceedings if he fails to give new bond within a reasonable time after demand.

(e) The assessor-collector's official oath and bonds for state and county taxes shall be recorded in the office of the county clerk, and the county judge shall submit the bond for state taxes to the State Property Tax Board.

(f) A county shall pay a reasonable premium for the assessor-collector's bonds for state and county taxes out of the county general revenue fund on presentation to the commissioners court of a bill for the premium authenticated as required by law for other claims against the county.

A court of competent jurisdiction may determine the reasonableness of any amount claimed as premium.

**Sec. 6.29. Bonds for Other Taxes**

(a) A taxing unit, other than a county, that has its own collector shall require him to give bond conditioned on the faithful performance of his duties. To be effective, the bond must be made payable to and must be approved by the governing body of the unit in an amount determined by the governing body. The governing body may require a new bond at any time, and failure to give new bond within a reasonable time after demand is a ground for removal from office. The governing body may prescribe additional requirements for the bond.

(b) A taxing unit whose taxes are collected by the collector for another taxing unit may require the collector to give bond conditioned on the faithful performance of his duties. To be effective, the bond must be made payable to and must be approved by the governing body of the unit requiring bond in an amount determined by the governing body. The governing body may prescribe additional requirements for the bond.

(c) A taxing unit shall pay the premium for a bond required pursuant to this section from its general fund or as provided by intergovernmental contract.

**Sec. 6.30. Attorneys Representing Taxing Units**

(a) In a suit to collect delinquent taxes, the county attorney or, if there is no county attorney, the district attorney shall represent the state and county. If a county collects taxes for another taxing unit, the county or district attorney may represent the unit in a suit to collect delinquent taxes if requested by the governing body of that unit.

(b) The governing body of a taxing unit other than a county may determine who represents the unit in a suit to collect delinquent taxes. If a taxing unit collects taxes for another taxing unit, the attorney representing the unit in a suit to collect delinquent taxes may represent the other unit with consent of its governing body.

(c) A taxing unit may contract with any competent attorney who is recommended by the collector for the unit to enforce the collection of delinquent taxes. The attorney's compensation is set in the contract, but the total amount of compensation provided may not exceed 20 percent of the amount of delinquent tax, penalty, and interest collected. However, the commissioners court may not contract with an attorney unless the county or district attorney fails or declines to file suit to collect taxes within 30 days after receiving written instructions from the commissioners court to do so.

(d) To be effective, a contract with an attorney for the collection of state and county taxes must be approved by the State Property Tax Board and the attorney general.

(e) A contract with an attorney that does not conform to the requirements of this section is void.

[Sections 6.31–6.40 reserved for expansion]

**SUBCHAPTER C. APPRAISAL REVIEW BOARD**

**Sec. 6.41. Appraisal Review Board**

(a) The appraisal review board is established for each appraisal district.

(b) The board consists of three members. However, in a district with a population of at least 25,000, the district board of directors by resolu-

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tion of a majority of its members may increase the size of the appraisal review board to not more than nine members.

(c) To be eligible to serve on the board, an individual must be a resident of the district and must have resided in the district for at least two years. A member of the appraisal district board of directors or an officer or employee of the State Property Tax Board, the appraisal office, or a taxing unit is ineligible to serve on the board.

(d) Members of the board are appointed by resolution of a majority of the appraisal district board of directors. A vacancy on the board is filled in the same manner for the unexpired portion of the term.

(e) Members of the board hold office for terms of two years beginning January 1. The appraisal district board of directors by resolution shall provide for staggered terms, so that the terms of as close to one-half of the members as possible expire each year. In making the initial appointments, the board of directors shall designate those members who serve terms of one year.

**Sec. 6.42. Organization, Meetings, and Compensation**

(a) A majority of the appraisal review board constitutes a quorum. The board shall elect a chairman and a secretary from its members.

(b) The board may meet at any time at the call of the chairman or as provided by rule of the board. The board shall meet to examine the appraisal records within 10 days after the date the chief appraiser submits the records to the board.

(c) Members of the board are entitled to per diem set by the appraisal district budget for each day the board meets and to reimbursement for actual and necessary expenses incurred in the performance of board functions as provided by the district budget.

**Sec. 6.43. Personnel**

The appraisal review board may employ legal counsel as provided by the district budget or use the services of the county attorney and may use the staff of the appraisal office for clerical assistance.

## **SUBTITLE C. TAXABLE PROPERTY AND EXEMPTIONS**

### **CHAPTER 11. TAXABLE PROPERTY AND EXEMPTIONS**

#### **SUBCHAPTER A. TAXABLE PROPERTY**

**Section**

11.01. Real and Tangible Personal Property.

11.02. Intangible Personal Property.

[Sections 11.03–11.10 reserved for expansion]

#### **SUBCHAPTER B. EXEMPTIONS**

11.11. Public Property.

11.12. Federal Exemptions.

11.13. Residence Homestead.

11.14. Household Goods and Personal Effects.

11.15. Family Supplies.

11.16. Farm Products.



**Section**

- 11.17. Cemeteries.
- 11.18. Charitable Organizations.
- 11.19. Youth Spiritual, Mental, and Physical Development Associations.
- 11.20. Religious Organizations.
- 11.21. Schools.
- 11.22. Disabled Veterans.
- 11.23. Miscellaneous Exemptions.
- 11.24. Historic Sites.
- 11.25. Automobiles.
- 11.26. Limitation of School Tax on Homesteads of Elderly.

[Sections 11.27–11.40 reserved for expansion]

**SUBCHAPTER C. ADMINISTRATION OF EXEMPTIONS**

- 11.41. Partial Ownership of Exempt Property.
- 11.42. Exemption Qualification Date.
- 11.43. Application for Exemption.
- 11.44. Notice of Application Requirements.
- 11.45. Action on Exemption Applications.
- 11.46. Compilation of Partial Exemptions.

**SUBCHAPTER A. TAXABLE PROPERTY**

**Section 11.01. Real and Tangible Personal Property**

- (a) All real and tangible personal property that this state has jurisdiction to tax is taxable unless exempt by law.
- (b) This state has jurisdiction to tax real property if located in this state.
- (c) This state has jurisdiction to tax tangible personal property if the property is:
  - (1) located in this state for longer than a temporary period;
  - (2) temporarily located outside this state and the owner resides in this state; or
  - (3) used continually, whether regularly or irregularly, in this state.
- (d) Goods, wares, ores (other than oil, gas, and other petroleum products), and merchandise are presumed to be in interstate commerce and/or are not to be located in this state for longer than a temporary period if the property is:
  - (1) transported from outside this state into this state to be forwarded outside this state;
  - (2) detained in this state for assembling, storing, manufacturing, processing, or fabricating purposes; and
  - (3) not located in this state for longer than 175 days.

**Sec. 11.02. Intangible Personal Property**

- (a) Except as provided by Subsection (b) of this section, intangible personal property is not taxable.
- (b) Stock in a banking corporation, intangible property of an unincorporated bank, intangible property of a transportation business listed in Subchapter A, Chapter 24 of this code, and intangible property gov-

erned by Article 4.01, Insurance Code, or by Section 11.09, Texas Savings and Loan Act, are taxable as provided by law, unless exempt by law, if this state has jurisdiction to tax those intangibles.

(c) This state has jurisdiction to tax intangible personal property, other than stock in a banking corporation, if the property is:

- (1) owned by a resident of this state; or
- (2) located in this state for business purposes.

(d) This state has jurisdiction to tax stock in a banking corporation that is incorporated in this state or, if the bank is a national bank, is located in this state.

[ Sections 11.03–11.10 reserved for expansion ]

#### SUBCHAPTER B. EXEMPTIONS

##### Sec. 11.11. Public Property

(a) Except as provided by Subsections (b) and (c) of this section, property owned by this state or a political subdivision of this state is exempt from taxation if the property is used for public purposes.

(b) Land owned by the Permanent University Fund is taxable for county purposes. Any notice required by Section 25.19 of this code shall be sent to the State Property Tax Board, and the board shall appear in behalf of the state in any protest or appeal relating to taxation of Permanent University Fund land.

(c) Agricultural or grazing land owned by a county for the benefit of public schools under Article VII, Section 6, of the Texas Constitution is taxable for all but state purposes. The county shall pay the taxes on the land from the revenue derived from the land. If revenue from the land is insufficient to pay the taxes, the county shall pay the balance from the county general fund.

##### Sec. 11.12. Federal Exemptions

Property exempt from ad valorem taxation by federal law is exempt from taxation.

##### Sec. 11.13. Residence Homestead

(a) A family or single adult is entitled to an exemption from taxation for state purposes and for the county purposes authorized in Article VIII, Section 1–a, of the Texas Constitution of \$3,000 of the assessed value of his residence homestead.

(b) An adult is entitled to exemption from taxation by a school district of \$5,000 of the appraised value of his residence homestead.

(c) In addition to the exemption provided by Subsection (b) of this section, an adult who is disabled or is 65 or older is entitled to an exemption from taxation by a school district of \$10,000 of the appraised value of his residence homestead.

(d) In addition to the exemptions provided by Subsections (b) and (c) of this section, an individual who is disabled or is 65 or older is entitled to an exemption from taxation by a taxing unit of a portion (the amount of which is fixed as provided by Subsection (e) of this section) of the appraised value of his residence homestead if the exemption is adopted either:

- (1) by the governing body of the taxing unit; or
- (2) by a favorable vote of a majority of the qualified voters of the taxing unit at an election called by the governing body of the taxing unit, and the governing body shall call the election on the pe-

tion of at least 20 percent of the number of qualified voters who voted in the preceding election of the taxing unit.

(e) The amount of an exemption adopted as provided by Subsection

(d) of this section is \$3,000 of the appraised value of the residence homestead unless a larger amount is specified by:

(1) the governing body authorizing the exemption if the exemption is authorized as provided by Subdivision (1) of Subsection (d) of this section; or

(2) the petition for the election if the exemption is authorized as provided by Subdivision (2) of Subsection (d) of this section.

(f) Once authorized, an exemption adopted as provided by Subsection (d) of this section may be repealed or decreased or increased in amount by the governing body of the taxing unit or by the procedure authorized by Subdivision (2) of Subsection (d) of this section. In the case of a decrease, the amount of the exemption may not be reduced to less than \$3,000 of the market value.

(g) If the residence homestead exemption provided by Subsection (d) of this section is adopted by a county that levies a tax for the county purposes authorized by Article VIII, Section 1-a, of the Texas Constitution, the residence homestead exemptions provided by Subsections (a) and (d) of this section may not be aggregated for the county tax purposes. An individual who is eligible for both exemptions is entitled to take only the exemption authorized as provided by Subsection (d) of this section for purposes of that county tax.

(h) Joint or community owners may not each receive the same exemption provided by or pursuant to this section for the same residence homestead in the same year. An eligible disabled person who is 65 or older may not receive both a disabled and an elderly residence homestead exemption but may choose either.

(i) The assessor and collector for a taxing unit may disregard the exemptions authorized by Subsection (b), (c), or (d) of this section and assess and collect a tax pledged for payment of debt without deducting the amount of the exemption if:

(1) prior to adoption of the exemption, the unit pledged the taxes for the payment of a debt; and

(2) granting the exemption would impair the obligation of the contract creating the debt.

(j) For purposes of this section, "residence homestead" means a structure (including a mobile home) or a separately secured and occupied portion of a structure (together with the land and improvements used in the residential occupancy of the structure, if the structure and the land and improvements have identical ownership) that:

(1) is owned by one or more individuals;

(2) is designed or adapted for human residence;

(3) is used as a residence; and

(4) is occupied as his principal residence by an owner who qualifies for the exemption.

(k) A qualified residential structure does not lose its character as a residence homestead if a portion of the structure is rented to another or is used primarily for other purposes that are incompatible with the owner's residential use of the structure. However, the amount of any residence homestead exemption does not apply to the value of that portion of the structure that is used primarily for purposes that are incompatible with the owner's residential use.

(l) A qualified residential structure does not lose its character as a residence homestead when the owner who qualifies for the exemption temporarily stops occupying it as a principal residence if that owner does not establish a different principal residence and intends to return and occupy the structure as his principal residence.

(m) In this section:

(1) "Disabled" means under a disability for purposes of payment of disability insurance benefits under Federal Old-Age, Survivors, and Disability Insurance.

(2) "School district" means a political subdivision organized to provide general elementary and secondary public education. "School district" does not include a junior college district or a political subdivision organized to provide special education services.

**Sec. 11.14. Household Goods and Personal Effects**

(a) An individual is entitled to an exemption from taxation of his household goods and personal effects that are not held or used for production of income.

(b) In this section:

(1) "Household goods" means furnishings, appliances, utensils, and other tangible personal property used primarily in or around a residence by the residents and their guests.

(2) "Personal effects" means tangible personal property that normally is worn or carried by an individual or that is used by an individual in personal, recreational, or other activities that do not involve production of income. "Personal effects" does not include a motor vehicle, boat, or other means of transportation, a trailer that must be registered for operation on a highway, or a mobile home or similar vehicle designed for occupancy as a dwelling.

**Sec. 11.15. Family Supplies**

A family is entitled to an exemption from taxation of its family supplies for home or farm use.

**Sec. 11.16. Farm Products**

A producer is entitled to an exemption from taxation of the farm products that he produces and owns.

**Sec. 11.17. Cemeteries**

A person is entitled to an exemption from taxation of the property he owns and uses exclusively for human burial and does not hold for profit.

**Sec. 11.18. Charitable Organizations**

(a) An organization that qualifies as a charitable organization as provided by Subsection (c) of this section is entitled to an exemption from taxation of the buildings and tangible personal property that:

(1) are owned by the charitable organization; and

(2) except as permitted by Subsection (b) of this section, are used exclusively by qualified charitable organizations.

(b) Use of exempt property by persons who are not charitable organizations qualified as provided by Subsection (c) of this section does not result in the loss of an exemption authorized by this section if the use is incidental to use by qualified charitable organizations and limited to activities that benefit the beneficiaries of the charitable organizations that own or use the property.

(c) To qualify as a charitable organization for the purposes of this section, an organization (whether operated by an individual, as a corporation, or as an association) must:

(1) be organized exclusively to perform and, except as permitted by Subsection (d) of this section, engage exclusively in performing one or more of the following charitable functions:

(A) providing medical care without regard to the beneficiaries' ability to pay;

(B) providing support or relief to orphans, the impoverished, or victims of natural disaster without regard to the beneficiaries' ability to pay;

(C) providing support to elderly persons or the handicapped without regard to the beneficiaries' ability to pay;

(D) preserving a historical landmark or site;

(E) promoting or operating a museum, zoo, library, theater of the dramatic arts, or symphony orchestra or choir;

(F) promoting or providing humane treatment of animals;

(G) acquiring, storing, transporting, selling, or distributing water for public use;

(H) answering fire alarms and extinguishing fires with no compensation or only nominal compensation to the members of the organization;

(I) promoting the athletic development of boys or girls under the age of 18 years; or

(J) preserving or conserving wildlife;

(2) be operated in a way that does not result in accrual of distributable profits, realization of private gain resulting from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain and, if the organization performs one or more of the charitable functions specified by Paragraph (C), (D), (E), (F), (G), or (J) of Subdivision (1) of this subsection, be organized as a nonprofit corporation as defined by the Texas Non-Profit Corporation Act; and

(3) by charter, bylaw, or other regulation adopted by the organization to govern its affairs:

(A) pledge its assets for use in performing the organization's charitable functions; and

(B) direct that on discontinuance of the organization by dissolution or otherwise the assets are to be transferred to an educational, religious, or charitable organization in this state that is qualified for an exemption authorized by this chapter.

(d) Performance of noncharitable functions by a charitable organization that owns or uses exempt property does not result in loss of an exemption authorized by this section if those other functions are incidental to the organization's charitable functions.

(e) In this section, "building" includes the land that is reasonably necessary for use of, access to, and ornamentation of the building.

(f) An exemption authorized by Paragraph (J) of Subdivision (1) of Subsection (c) of this section is limited to land and improvements and may not exceed 1,000 acres in any one county.

**Sec. 11.19. Youth Spiritual, Mental, and Physical Development Associations**

(a) An association that qualifies as a youth development association as provided by Subsection (d) of this section is entitled to an exemption from taxation of the tangible property that:

(1) is owned by the association;

(2) except as permitted by Subsection (b) of this section, is used exclusively by qualified youth development associations; and

(3) is reasonably necessary for the operation of the association.

(b) Use of exempt tangible property by persons who are not youth development associations qualified as provided by Subsection (d) of this section does not result in the loss of an exemption under this section if the use is incidental to use by qualified associations and benefits the individuals the associations serve.

(c) An association that qualifies as a youth development association as provided by Subsection (d) of this section is entitled to an exemption from taxation of those endowment funds the association owns that are used exclusively for the support of the association and are invested exclusively in bonds, mortgages, or property purchased at a foreclosure sale for the purpose of satisfying or protecting the bonds or mortgages. However, foreclosure-sale property that is held by an endowment fund for longer than the two-year period immediately following purchase at the foreclosure sale is not exempt from taxation.

(d) To qualify as a youth development association for the purposes of this section, an association must:

(1) engage primarily in promoting the threefold spiritual, mental, and physical development of boys, girls, young men, or young women;

(2) be operated in a way that does not result in accrual of distributable profits, realization of private gain resulting from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain;

(3) operate in conjunction with a state or national organization that is organized and operated for the same purpose as the association; and

(4) by charter, bylaw, or other regulation adopted by the association to govern its affairs:

(A) pledge its assets for use in performing the association's youth development functions; and

(B) direct that on discontinuance of the association by dissolution or otherwise the assets are to be transferred to a charitable, educational, or religious organization or youth development association in this state that is qualified for an exemption authorized by this subchapter.

#### **Sec. 11.20. Religious Organizations**

(a) An organization that qualifies as a religious organization as provided by Subsection (c) of this section is entitled to an exemption from taxation of:

(1) the real property that is owned by the religious organization, is used primarily as a place of regular religious worship, and is reasonably necessary for engaging in religious worship;

(2) the tangible personal property that is owned by the religious organization and is reasonably necessary for engaging in worship at the place of worship specified in Subdivision (1) of this subsection;

(3) the real property that is owned by the religious organization and is reasonably necessary for use as a residence (but not more than one acre of land for each residence) if the property:

(A) is used exclusively as a residence for those individuals whose principal occupation is to serve in the clergy of the religious organization; and

(B) produces no revenue for the religious organization; and  
(4) the tangible personal property that is owned by the religious organization and is reasonably necessary for use of the residence specified by Subdivision (3) of this subsection.

(b) An organization that qualifies as a religious organization as provided by Subsection (c) of this section is entitled to an exemption from taxation of those endowment funds the organization owns that are used exclusively for the support of the religious organization and are invested exclusively in bonds, mortgages, or property purchased at a foreclosure sale for the purpose of satisfying or protecting the bonds or mortgages. However, foreclosure-sale property that is held by an endowment fund for longer than the two-year period immediately following purchase at the foreclosure sale is not exempt from taxation.

(c) To qualify as a religious organization for the purposes of this section, an organization (whether operated by an individual, as a corporation, or as an association) must:

(1) be organized and operated primarily for the purpose of engaging in religious worship or promoting the spiritual development or well-being of individuals;

(2) be operated in a way that does not result in accrual of distributable profits, realization of private gain resulting from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain; and

(3) by charter, bylaw, or other regulation adopted by the organization to govern its affairs:

(A) pledge its assets for use in performing the organization's religious functions; and

(B) direct that on discontinuance of the organization by dissolution or otherwise the assets are to be transferred to a charitable, educational, or religious organization in this state that is qualified for an exemption authorized by this subchapter.

(d) Use of property that qualifies for the exemption prescribed by Subdivision (1) or (2) of Subsection (a) of this section for occasional secular purposes other than religious worship does not result in loss of the exemption if the primary use of the property is for religious worship and all income from the other use is devoted exclusively to the maintenance and development of the property as a place of religious worship.

(e) For the purposes of this section, "religious worship" means individual or group ceremony or meditation, education, and fellowship, the purpose of which is to manifest or develop reverence, homage, and commitment in behalf of a religious faith.

#### Sec. 11.21. Schools

(a) A person is entitled to an exemption from taxation of the buildings and tangible personal property that he owns and that are used for a school that is qualified as provided by Subsection (d) of this section if:

(1) the school is operated exclusively by the person owning the property;

(2) except as permitted by Subsection (b) of this section, the buildings and tangible personal property are used exclusively for educational functions; and

(3) the buildings and tangible personal property are reasonably necessary for the operation of the school.

(b) Use of exempt tangible property for functions other than educational functions does not result in loss of an exemption authorized by this section if those other functions are incidental to use of the property for educational functions and benefit the students or faculty of the school.

(c) A person who operates a school that is qualified as provided by Subsection (d) of this section is entitled to an exemption from taxation of those endowment funds he owns that are used exclusively for the support of the school and are invested exclusively in bonds, mortgages, or property purchased at a foreclosure sale for the purpose of satisfying or protecting the bonds or mortgages. However, foreclosure-sale property that is held by an endowment fund for longer than the two-year period immediately following purchase at the foreclosure sale is not exempt from taxation.

(d) To qualify as a school for the purposes of this section, an organization (whether operated by an individual, as a corporation, or as an association) must:

(1) normally maintain a regular faculty and curriculum and normally have a regularly organized body of students in attendance at the place where its educational functions are carried on;

(2) be operated in a way that does not result in accrual of distributable profits, realization of private gain resulting from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain and, if the organization is a corporation, be organized as a nonprofit corporation as defined by the Texas Non-Profit Corporation Act; and

(3) by charter, bylaw, or other regulation adopted by the organization to govern its affairs:

(A) pledge its assets for use in performing the organization's educational functions; and

(B) direct that on discontinuance of the organization by dissolution or otherwise the assets are to be transferred to a charitable or religious organization or school in this state that is qualified for an exemption authorized by this subchapter.

(e) In this section, "building" includes the land that is reasonably necessary for use of, access to, and ornamentation of the building.

**Sec. 11.22. Disabled Veterans**

(a) A disabled veteran is entitled to an exemption from taxation of a portion of the assessed value of a property he owns and designates as provided by Subsection (f) of this section in accordance with the following schedule:

an exemption of up to:	for a disability rating of	
	at least:	but not greater than:
\$1,500 of the assessed value	10%	30%
2,000	31	50
2,500	51	70
3,000	71 and over	

(b) A disabled veteran is entitled to an exemption from taxation of \$3,000 of the assessed value of a property he owns and designates as provided by Subsection (f) of this section if the veteran:

(1) is 65 years of age or older and has a disability rating of at least 10 percent;

(2) is totally blind in one or both eyes; or



(3) has lost the use of one or more limbs.

(c) If a disabled veteran who is entitled to an exemption by Subsection (a) or (b) of this section dies, the veteran's surviving spouse is entitled to an exemption from taxation of a portion of the assessed value of a property the spouse owns and designates as provided by Subsection (f) of this section. The amount of the exemption is the amount of the veteran's exemption at time of death. The spouse is entitled to an exemption by this subsection only for as long as the spouse remains unmarried. If the spouse does not survive the veteran, each of the veteran's surviving children who is younger than 18 years of age and unmarried is entitled to an exemption from taxation of a portion of the assessed value of a property the child owns and designates as provided by Subsection (f) of this section. The amount of exemption for each eligible child is computed by dividing the amount of the veteran's exemption at time of death by the number of eligible children.

(d) If an individual dies while on active duty as a member of the armed services of the United States:

(1) the individual's surviving spouse is entitled to an exemption from taxation of \$2,500 of the assessed value of the property the spouse owns and designates as provided by Subsection (f) of this section; and

(2) each of the individual's surviving children who is younger than 18 years of age and unmarried is entitled to an exemption from taxation of a portion of the assessed value of a property the child owns and designates as provided by Subsection (f) of this section, the amount of exemption for each eligible child to be computed by dividing \$2,500 by the number of eligible children.

(e) An individual who qualifies for more than one exemption authorized by this section is entitled to aggregate the amounts of the exemptions, except that:

(1) a disabled veteran who qualifies for more than one exemption authorized by Subsections (a) and (b) of this section is entitled to only one exemption but may choose the greatest exemption for which he qualifies; and

(2) an individual who receives an exemption as a surviving spouse of a disabled veteran as provided by Subsection (c) of this section may not receive an exemption as a surviving child as provided by Subsection (c) or (d) of this section.

(f) An individual may receive an exemption to which he is entitled by this section against only one property, which must be the same for every taxing unit in which the individual claims the exemption. If an individual is entitled by Subsection (e) of this section to aggregate the amounts of more than one exemption, he must take the entire aggregated amount against the same property. An individual must designate on his exemption application form the property against which he takes an exemption under this section.

(g) An individual is not entitled to an exemption by this section unless he is a resident of this state.

(h) In this section:

(1) "Child" includes an adopted child or a child born out of wedlock whose paternity has been admitted or has been established in a legal action.

(2) "Disability rating" means a veteran's percentage of disability as certified by the Veterans' Administration or its successor or the branch of the armed services in which the veteran served.

(3) "Disabled veteran" means a veteran of the armed services of the United States who is classified as disabled by the Veterans' Administration or its successor or the branch of the armed services in which the veteran served and whose disability is service-connected.

(4) "Surviving spouse" means the individual who was married to a disabled veteran or member of the armed services at the time of the veteran's or member's death.

**Sec. 11.23. Miscellaneous Exemptions**

(a) **Veterans' Organizations.** The American Legion, American Veterans of World War II, Veterans of Foreign Wars of the United States, Disabled American Veterans, Jewish War Veterans, Catholic War Veterans, or the American G.I. Forum is entitled to an exemption from taxation of the buildings (including the land that is reasonably necessary for use of, access to, and ornamentation of the buildings) that are owned and primarily used by that organization if the property is not used to produce revenue or held for gain.

(b) **Federation of Women's Clubs.** The Texas Federation of Women's Clubs is entitled to an exemption from taxation of the tangible property it owns if the property is not held for gain.

(c) **Nature Conservancy of Texas.** The Nature Conservancy of Texas, Incorporated, is entitled to an exemption from taxation of the tangible property it owns if the property is not held for gain, as long as the organization is a nonprofit corporation as defined by the Texas Non-Profit Corporation Act.

(d) **Congress of Parents and Teachers.** The Texas Congress of Parents and Teachers is entitled to an exemption from taxation for state and county purposes of the buildings (including the land that is reasonably necessary for use of, access to, and ornamentation of the buildings) it owns and uses as its state headquarters.

(e) **Private Enterprise Demonstration Associations.** An association that engages exclusively in conducting nonprofit educational programs designed to demonstrate the American private enterprise system to children and young people and that operates under a state or national organization that is organized and operated for the same purpose is entitled to an exemption from taxation of the tangible property that it owns and uses exclusively if it is reasonably necessary for the association's operation.

(f) **Buffalo and Cattalo.** A person is entitled to an exemption from taxation of the buffalo and cattalo he owns that are not held for gain and that are used in experimental breeding with cattle for the purpose of producing an improved strain of meat animal or kept in parks to preserve the species.

(g) **Theater Schools.** A corporation that is organized to promote the teaching and study of the dramatic arts is entitled to an exemption from taxation of the property it owns and uses in the operation of a school for the dramatic arts if:

(1) the corporation is organized as a nonprofit corporation as defined by the Texas Non-Profit Corporation Act;

(2) the corporation is not self-sustaining in any fiscal year from income other than gifts, grants, or donations;

(3) the corporation is exempt from federal income taxes;

(4) the school maintains a theater-school program with regular classes for at least four grades, formal textbooks and curriculum, an enrollment of 150 or more students during each of at least two semesters every calendar year, and a faculty substantially all of whom hold degrees in theater arts from an accredited school of higher education;

(5) the school offers apprenticeship or other practical training in theater management and operation for college students or offers similar training for playwrights, actors, and production personnel; and

(6) more than one-half of each season's theatrical productions for which admission is charged have significant literary merit of the character that contributes to the educational programs of secondary schools and schools of higher education.

(h) Biomedical Research Corporations. A nonprofit corporation as defined in the Texas Non-Profit Corporation Act is entitled to an exemption from taxation of the property it owns and uses exclusively for biomedical research and education for the public benefit.

(i) Community Service Clubs. An association that qualifies as a community service club is entitled to an exemption from taxation of the tangible property the club owns that qualifies under Article VIII, Section 2, of the constitution and that is not used for profit or held for gain. To qualify as a community service club for the purposes of this subsection, an association must:

(1) be organized to promote and must engage primarily in promoting:

(A) the religious, educational, and physical development of boys, girls, young men, or young women;

(B) the development of the concepts of patriotism and love of country; and

(C) the development of interest in community, national, and international affairs;

(2) be affiliated with a state or national organization of similar purpose;

(3) be open to membership without regard to race, religion, or national origin; and

(4) be operated in a way that does not result in accrual of distributable profits, realization of private gain resulting from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain.

#### **Sec. 11.24. Historic Sites**

The governing body of a taxing unit by official action of the body adopted in the manner required by law for official actions may exempt from taxation part or all of the assessed value of a structure and the land necessary for access to and use of the structure, if the structure is:

(1) designated as a Recorded Texas Historical Landmark by the Texas Historical Commission and by the governing body of the taxing unit; or

(2) designated as a historically significant site in need of tax relief to encourage its preservation pursuant to an ordinance or other law adopted by the governing body of the unit.

**Sec. 11.25. Automobiles**

(a) A family or an individual who is not a member of a family is entitled to exemption of two automobiles. If the family or individual owns more than two automobiles, the exemption applies to the two with the highest market value.

(b) A family owns an automobile for the purposes of this section if any member of the family owns the automobile.

(c) In this section:

(1) "Automobile" means a passenger car or a light truck as those terms are defined by Section 2, Uniform Act Regulating Traffic on Highways, as amended (Article 6701d, Vernon's Texas Civil Statutes).

(2) "Family" means a husband and wife and any minor children residing with them or an individual parent and the minor children residing with that parent.

**Sec. 11.26. Limitation of School Tax on Homesteads of Elderly**

(a) Except as provided by Subsection (b) of this section, a school district may not increase the total annual amount of ad valorem tax it imposes on the residence homestead of an individual 65 years or older above the amount of the tax it imposed in the first year the individual qualified that residence homestead for the exemption provided by Subsection (c) of Section 11.13 of this code. The tax officials shall continue to appraise the property and to calculate taxes as on other property, but if the tax so calculated exceeds the limitation imposed by this section, the tax imposed is the tax imposed in the first year the individual qualified the residence homestead for the exemption.

(b) If an individual makes improvements to his residence homestead, other than improvements required to comply with governmental requirements or repairs, the school district may increase the tax on the homestead in the first year the value of the homestead is increased on the appraisal roll because of the enhancement of value by the improvements. The amount of the tax increase is determined by applying the current tax rate to the difference in the assessed value of the homestead with the improvements and the assessed value it would have had without the improvements. The limitations imposed by Subsection (a) of this section then apply to the increased amount of tax until more improvements, if any, are made.

(c) The limitation on tax increases required by this section expires if on January 1:

(1) none of the owners of the structure who qualify for the exemption and who owned the structure when the limitation first took effect is using the structure as a residence homestead; or

(2) none of the owners of the structure qualifies for the exemption.

[Sections 11.27–11.40 reserved for expansion]

**SUBCHAPTER C. ADMINISTRATION OF EXEMPTIONS**

**Sec. 11.41. Partial Ownership of Exempt Property**

(a) Except as provided by Subsection (b) of this section, if a person who qualifies for an exemption as provided by this chapter is not the sole owner of the property to which the exemption applies, the exemption is limited to the value of the property interest the person owns.

(b) If a person who qualifies for an exemption as provided by Section 11.13 or 11.22 of this code is not the sole owner of the property to which

the exemption applies, the amount of the exemption is calculated on the basis of the value of the property interest the person owns.

(c) In the application of this section, community ownership by a person who qualifies for the exemption and his spouse is treated as if the person owns the community interest of his spouse.

**Sec. 11.42. Exemption Qualification Date**

(a) Except as provided by Subsection (b) of this section, eligibility for and amount of an exemption authorized by this chapter for any tax year are determined by a claimant's qualifications on January 1. A person who does not qualify for an exemption on January 1 of any year may not receive the exemption that year.

(b) An exemption authorized by Section 11.11 of this code is effective immediately on qualification for the exemption.

**Sec. 11.43. Application for Exemption**

(a) To receive an exemption, a person claiming the exemption, other than an exemption authorized by Section 11.11, 11.12, 11.14, 11.15, 11.16, or 11.25 of this code, must apply for the exemption. To apply for an exemption from county taxes, a person must file an exemption application form with the county assessor-collector for each county in which the property subject to the claimed exemption has situs. To apply for an exemption from state taxes or taxes by a taxing unit other than the county, a person must file an exemption application form with the chief appraiser for each appraisal district in which the property subject to the claimed exemption has situs.

(b) Except as provided by Subsection (c) of this section, a person required to apply for an exemption must apply each year he claims entitlement to the exemption.

(c) An exemption provided by Section 11.19, 11.20, or 11.21 of this code, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e) of this section, the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes. However, the chief appraiser or the county assessor-collector, as applicable, may require a person allowed one of the exemptions in a prior year to file a new application to confirm his current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an appropriate application form, to the person previously allowed the exemption.

(d) A person required to claim an exemption must file a completed exemption application form before April 1 and must furnish the information required by the form. For good cause shown the chief appraiser or the county assessor-collector, as applicable, may extend the deadline for filing an exemption application by written order for a single period not to exceed 15 days.

(e) If a person required to apply for an exemption in a given year fails to file timely a completed application form, he may not receive the exemption for that year.

(f) The State Property Tax Board, in prescribing the contents of the application form for each kind of exemption, shall ensure that the form requires an applicant to furnish the information necessary to determine the validity of the exemption claim. The board shall include on the forms a notice of the penalties prescribed by Section 37.10, Penal Code, for making or filing an application containing a false statement.

**Sec. 11.44. Notice of Application Requirements**

(a) Before February 1 of each year, the chief appraiser or the county assessor-collector, as applicable, shall deliver an appropriate exemption application form to each person who in the preceding year was allowed an exemption that must be applied for annually. He shall include a brief explanation of the requirements of Section 11.43 of this code.

(b) Each year the chief appraiser for each appraisal district and each county assessor-collector shall publicize, in a manner reasonably designed to notify all residents of the district or county, the requirements of Section 11.43 of this code and the availability of application forms.

(c) The State Property Tax Board shall prescribe by rule the content of the explanation required by Subsection (a) of this section.

**Sec. 11.45. Action on Exemption Applications**

(a) The chief appraiser or the county assessor-collector, as applicable, shall determine separately each applicant's right to an exemption. After considering the application and all relevant information, the chief appraiser or the county assessor-collector, as applicable, shall, as the law and facts warrant:

- (1) approve the application and allow the exemption;
- (2) modify the exemption applied for and allow the exemption as modified;
- (3) disapprove the application and request additional information from the applicant in support of the claim; or
- (4) deny the application.

(b) If the chief appraiser or the county assessor-collector requests additional information from an applicant, the applicant must furnish it within 30 days after the date of the request or before April 15, whichever is earlier, or the application is denied. However, for good cause shown the chief appraiser or the county assessor-collector, as applicable, may extend the deadline for furnishing the information by written order for a single period not to exceed 15 days.

(c) The chief appraiser and the county assessor-collector each shall determine the validity of each application for exemption filed with him before he submits the appraisal records for review and determination of protests as provided by Chapter 41 of this code.

(d) If the chief appraiser or the county assessor-collector modifies or denies an exemption, he shall deliver a written notice of the modification or denial to the applicant within five days after the date he makes the determination. He shall include with the notice a brief explanation of the procedures for protesting his action.

**Sec. 11.46. Compilation of Partial Exemptions**

Each year the chief appraiser shall compile and make available to the public a list showing for each taxing unit in the district the number of each kind of partial exemption allowed in that tax year and the total assessed value of each taxing unit that is exempted by each kind of partial exemption. The county assessor-collector shall compile and make available to the public a similar list for county tax purposes.

## SUBTITLE D. APPRAISAL AND ASSESSMENT

## CHAPTER 21. TAXABLE SITUS

**Section**

- 21.01. Real Property.
- 21.02. Tangible Personal Property Generally.
- 21.03. Interstate Allocation.
- 21.04. Railroad Rolling Stock.
- 21.05. Livestock Whose Range Overlaps Taxing Unit Boundaries.
- 21.06. Intangible Property Generally.
- 21.07. Intangibles of Certain Transportation Businesses.
- 21.08. Intangibles of Certain Financial Institutions.
- 21.09. Bank Stock.

**Section 21.01. Real Property**

Real property is taxable by a taxing unit if located in the unit on January 1.

**Sec. 21.02. Tangible Personal Property Generally**

Except as provided by Sections 21.04 and 21.05 of this code, tangible personal property is taxable by a taxing unit if:

(1) it is located in the unit on January 1 for more than a temporary period;

(2) it normally is located in the unit, even though it is outside the unit on January 1, if it is outside the unit only temporarily;

(3) it normally is returned to the unit between uses elsewhere and is not located in any one place for more than a temporary period; or

(4) the owner resides (for property not used for business purposes) or maintains his principal place of business in this state (for property used for business purposes) in the unit and the property is taxable in this state but does not have a taxable situs pursuant to Subdivisions (1) through (3) of this section.

**Sec. 21.03. Interstate Allocation**

(a) If personal property that is taxable by a taxing unit is used continually outside this state, whether regularly or irregularly, the appraisal office shall allocate to this state the portion of the total market value of the property that fairly reflects its use in this state.

(b) The State Property Tax Board shall adopt rules:

(1) identifying the kinds of property subject to this section; and

(2) establishing formulas for calculating the proportion of total market value to be allocated to this state.

**Sec. 21.04. Railroad Rolling Stock**

(a) A portion of the total market value of railroad rolling stock that is appraised as provided by Subchapter B of Chapter 24 of this code is taxable by the state and each county in which the railroad operates.

(b) The portion of the total market value that is taxable by a county is determined by the provisions of Subchapter B of Chapter 24 of this code.

**Sec. 21.05. Livestock Whose Range Overlaps Taxing Unit Boundaries**

(a) A portion of the total market value of livestock that normally ranges on land that on January 1 is partially outside and partially inside a taxing unit's boundaries is taxable by the taxing unit.

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(b) The portion of the total market value that is taxable by a taxing unit as provided by Subsection (a) of this section is determined by multiplying the total market value of the livestock by a fraction, the denominator of which is the total number of acres on which the livestock normally ranges and the numerator of which is the number of acres on which the livestock normally ranges inside the unit's boundaries.

**Sec. 21.06. Intangible Property Generally**

(a) Except as provided by Sections 21.07 through 21.09 of this code, intangible property is taxable by a taxing unit if the owner of the property resides in the unit on January 1, unless the property normally is used in this state for business purposes outside the unit. In that event, the intangible property is taxable by each taxing unit in which the property normally is used for business purposes.

(b) Depositing intangible property with an agency of the state pursuant to a law requiring or authorizing the deposit is not using it for a business purpose at the depository.

**Sec. 21.07. Intangibles of Certain Transportation Businesses**

(a) A portion of the total intangible value of a transportation business whose intangibles are appraised as provided by Subchapter A of Chapter 24 of this code is taxable by the state and by each county in which the business operates.

(b) The portion of the total value that is taxable as provided by Subsection (a) of this section is determined by the provisions of Subchapter A of Chapter 24 of this code.

**Sec. 21.08. Intangibles of Certain Financial Institutions**

(a) The taxable situs of intangible property owned by an insurance company incorporated under the laws of this state is determined as provided by Article 4.01, Insurance Code.

(b) The taxable situs of intangible property owned by a savings and loan association is determined as provided by Section 11.09, Texas Savings and Loan Act.

**Sec. 21.09. Bank Stock**

Stock in a banking corporation is taxable by a taxing unit if the bank is located in the unit on January 1.

**CHAPTER 22. RENDITIONS AND OTHER REPORTS**

**SUBCHAPTER A. INFORMATION FROM TAXPAYER**

**Section**

- 22.01. Rendition Generally.
- 22.02. Rendition of Property Losing Exemption During Tax Year.
- 22.03. Report of Decreased Value.
- 22.04. Report by Bailee, Lessee, or Other Possessor.
- 22.05. Rendition by Railroad.
- 22.06. Rendition by Bank.

[Sections 22.07–22.20 reserved for expansion]

**SUBCHAPTER B. REQUIREMENTS AND PROCEDURES**

- 22.21. Publicizing Requirements.
- 22.22. Method for Requiring Rendition or Report.
- 22.23. Filing Date.
- 22.24. Rendition and Report Forms.
- 22.25. Place and Manner of Filing.
- 22.26. Signature.
- 22.27. Renditions and Reports Confidential.



**SUBCHAPTER A. INFORMATION FROM TAXPAYER****Section 22.01. Rendition Generally**

(a) Except as provided by Chapter 24 of this code, a person shall render for taxation all tangible personal property used for the production of income that he owns or that he manages and controls as a fiduciary on January 1.

(b) When required by the chief appraiser or the county assessor-collector, a person shall render for taxation any other taxable property that he owns or that he manages and controls as a fiduciary on January 1.

(c) A person may render for taxation any property that he owns or that he manages and controls as a fiduciary on January 1, although he is not required to render it by Subsection (a) or (b) of this section.

(d) A fiduciary who renders property shall indicate his fiduciary capacity and shall state the name and address of the owner.

**Sec. 22.02. Rendition of Property Losing Exemption During Tax Year**

If an exemption applicable to a property on January 1 terminates during the tax year, the person who owns or acquires the property on the date applicability of the exemption terminates shall render the property for taxation within 30 days after the date of termination.

**Sec. 22.03. Report of Decreased Value**

(a) A person who believes the appraised value of his property decreased during the preceding tax year for any reason other than normal depreciation may file an information report describing the property involved and stating the nature and cause of the decrease.

(b) Before determining the appraised value of property that is the subject of a completed and timely filed report as provided by Subsection (a) of this section, the chief appraiser or the county assessor-collector, as applicable, must view the property to verify any reported change in appraised value and its cause and nature. The person who views the property shall note on the back of the property owner's report his name, the date he viewed the property, and his determination of any decrease in appraised value and its cause and nature.

(c) The chief appraiser or the county assessor-collector, as applicable, shall deliver a written notice to the property owner of the determination made as provided by Subsection (b) of this section.

**Sec. 22.04. Report by Bailee, Lessee, or Other Possessor**

(a) When required by the chief appraiser or the county assessor-collector, a person shall file a property information report listing all tangible personal property that is owned by another but is in his possession or under his management on January 1 by bailment, lease, consignment, or other arrangement and stating the name and address of the owner.

(b) When required by the chief appraiser or the county assessor-collector, a person who leases or otherwise provides space to another for storage of personal property shall file an information report stating the name and address of each person to whom he leased or otherwise provided storage space on January 1.

**Sec. 22.05. Rendition by Railroad**

(a) In addition to other reports required by Chapter 24 of this code, a railroad corporation shall render the property the railroad corporation owns or possesses in each taxing unit as of January 1.

(b) The rendition shall:

(1) list all real property other than the property covered by Subdivision (2) of this subsection;

(2) list the number of miles of railroad together with the market value per mile, which value shall include right-of-way, roadbed, superstructure, and all buildings and improvements used in the operation of the railroad; and

(3) list all personal property as required by Section 22.01 of this code.

**Sec. 22.06. Rendition by Bank**

A bank located in this state shall file a rendition statement listing the bank's assets and liabilities.

[Sections 22.07–22.20 reserved for expansion]

**SUBCHAPTER B. REQUIREMENTS AND PROCEDURES**

**Sec. 22.21. Publicizing Requirements**

Each year the director of the State Property Tax Board, each chief appraiser, and each county assessor-collector shall publicize in a manner reasonably designed to notify all property owners the requirements of the law relating to filing rendition statements and property reports and of the availability of forms.

**Sec. 22.22. Method for Requiring Rendition or Report**

The chief appraiser or county assessor-collector may require a rendition statement or property report he is authorized to require by this chapter by delivering written notice that the statement or report is required to the person responsible for filing it. He shall attach to the notice a copy of the appropriate form.

**Sec. 22.23. Filing Date**

(a) Rendition statements and property reports must be delivered to the chief appraiser or county assessor-collector, as applicable, after January 1 and before April 1, except as provided by Section 22.02 of this code.

(b) For good cause shown the chief appraiser or the county assessor-collector, as applicable, may extend a deadline for filing a rendition statement or property report by written order but no single extension may exceed 15 days and in no event may he extend the filing deadline beyond April 15.

**Sec. 22.24. Rendition and Report Forms**

(a) A person required to render property or to file a report as provided by this chapter shall use the appropriate form prescribed by the State Property Tax Board.

(b) A person filing a rendition or report shall include all information required by the form.

(c) The State Property Tax Board may prescribe different forms for different kinds of property but shall ensure that each form requires a property owner to furnish the information necessary to identify the property and to determine its ownership, taxability, situs, and market value. The board may approve forms designed by the appraisal office or the county assessor-collector for unusual or special circumstances. A form may not require a property owner to furnish information not relevant to the appraisal of property for tax purposes or to the assessment or collection of property taxes.

(d) A rendition or report form shall permit but may not require a property owner to state his opinion about the market value of his property.

**Sec. 22.25. Place and Manner of Filing**

A rendition statement or property report required or authorized by this chapter must be filed with the chief appraiser for each district and with the county assessor-collector for the county in which the property listed in the statement or report is taxable.

**Sec. 22.26. Signature**

(a) Each rendition statement or property report required or authorized by this chapter must be signed by an individual who is required to file the statement or report.

(b) When a corporation is required to file a statement or report, an officer of the corporation or an employee or agent who has been designated in writing by the board of directors or by an authorized officer to sign in behalf of the corporation must sign the statement or report.

**Sec. 22.27. Renditions and Reports Confidential**

(a) Rendition statements and property reports filed with an appraisal office or a county assessor-collector are confidential and not open to public inspection. The statements and reports and the information they contain about specific property or a specific property owner may not be disclosed to anyone other than an employee of the appraisal office or of the county assessor-collector who appraises property except as authorized by Subsection (b) of this section.

(b) Information made confidential by this section may be disclosed:

(1) in a judicial or administrative proceeding pursuant to a lawful subpoena;

(2) to the person who filed the statement or report or the owner of property subject to the statement or report or to a representative of either authorized in writing to receive the information;

(3) to the director of the State Property Tax Board and his employees authorized by him in writing to receive the information or to an assessor or a chief appraiser if requested in writing;

(4) in a judicial or administrative proceeding relating to property taxation to which the person who filed the statement or report or the owner of the property that is a subject of the statement or report is a party;

(5) for statistical purposes if in a form that does not identify specific property or a specific property owner; or

(6) if and to the extent the information is required to be included in a public document or record that the appraisal office or the county assessor-collector is required to prepare or maintain.

(c) A person who legally has access to a statement or report or who legally obtains the confidential information a statement or report contains commits a Class B misdemeanor if he knowingly:

(1) permits inspection of the statement or report by a person not authorized to inspect it by Subsection (b) of this section; or

(2) discloses confidential information contained in the statement or report to a person not authorized to receive the information by Subsection (b) of this section.

**CHAPTER 23. APPRAISAL METHODS AND PROCEDURES**  
**SUBCHAPTER A. APPRAISALS GENERALLY**

**Section**

23.01. Appraisals Generally.

[Sections 23.02–23.10 reserved for expansion]

**SUBCHAPTER B. SPECIAL APPRAISAL PROVISIONS**

- 23.11. Banking Corporation.
- 23.12. Inventory.
- 23.13. Taxable Leaseholds.
- 23.14. Unincorporated Bank.
- 23.15. Intangibles of an Insurance Company.
- 23.16. Intangibles of a Savings and Loan Association.
- 23.17. Mineral Interest Not Being Produced.

[Sections 23.18–23.40 reserved for expansion]

**SUBCHAPTER C. LAND DESIGNATED FOR AGRICULTURAL USE**

- 23.41. Appraisal.
- 23.42. Eligibility.
- 23.43. Application.
- 23.44. Action on Application.
- 23.45. Application Confidential.
- 23.46. Deferred Taxation.

[Sections 23.47–23.50 reserved for expansion]

**SUBCHAPTER D. APPRAISAL OF AGRICULTURAL LAND**

- 23.51. Definitions.
- 23.52. Appraisal of Qualified Agricultural Land.
- 23.53. Capitalization Rate.
- 23.54. Application.
- 23.55. Change of Use of Land.
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[Sections 23.57–23.70 reserved for expansion]

**SUBCHAPTER E. APPRAISAL OF TIMBER LAND**

- 23.71. Definitions.
- 23.72. Qualification for Productivity Appraisal.
- 23.73. Appraisal of Qualified Timber Land.
- 23.74. Capitalization Rate.
- 23.75. Application.
- 23.76. Change of Use of Land.
- 23.77. Land Ineligible for Appraisal as Timber Land.
- 23.78. Minimum Appraisal of Timber Land.

**SUBCHAPTER A. APPRAISALS GENERALLY**

**Section 23.01. Appraisals Generally**

(a) Except as otherwise provided by this chapter, all taxable property is appraised at its market value as of January 1.

(b) The market value of property shall be determined by the application of generally accepted appraisal techniques, and the same or similar appraisal techniques shall be used in appraising the same or similar kinds of property.

[Sections 23.02–23.10 reserved for expansion]

#### **SUBCHAPTER B. SPECIAL APPRAISAL PROVISIONS**

##### **Sec. 23.11. Banking Corporation**

(a) The stock of a banking corporation that is located in this state is appraised by subtracting the market value of the real property owned by the bank from the actual cash value of the bank's stock.

(b) Real property owned by a banking corporation subject to this section is appraised in the same manner as other real property, but a banking corporation's personal property is not subject to taxation except as provided by Section 25.15 of this code.

##### **Sec. 23.12. Inventory**

The market value of an inventory is the price for which it would sell as a unit to a purchaser who would continue the business.

##### **Sec. 23.13. Taxable Leaseholds**

A taxable leasehold or other possessory interest in real property that is exempt from taxation to the owner of the estate or interest encumbered by the possessory interest is appraised at the market value of the leasehold or other possessory interest. However, the appraised value may not be less than the total rental paid for the interest for the current tax year.

##### **Sec. 23.14. Unincorporated Bank**

(a) Except as provided by Subsection (b) of this section, the real property and the tangible and intangible personal property owned by an unincorporated bank are appraised at market value.

(b) Money on hand, in transit, or on deposit and notes and accounts receivable, unpaid interest accrued, and other credits are appraised by deducting the total amount of the bank's deposit liability from the total market value of all of those items.

##### **Sec. 23.15. Intangibles of an Insurance Company**

Intangible property owned by an insurance company incorporated under the laws of this state is appraised as provided by Article 4.01, Insurance Code.

##### **Sec. 23.16. Intangibles of a Savings and Loan Association**

Intangible property owned by a savings and loan association is appraised as provided by Section 11.09, Texas Savings and Loan Act.

##### **Sec. 23.17. Mineral Interest Not Being Produced**

An interest in a mineral that may be removed by surface mining or quarrying from a deposit and that is not being produced is appraised at the price for which the interest would sell while the mineral is in place and not being produced. The appraised value is determined by applying a per acre value to the number of acres covered by the interest. The aggregate of the appraised value of the interest and the appraised value of all other interests that if not under separate ownership would constitute a fee simple estate in real property may not exceed the appraised value that would be placed on the fee estate if the interest in minerals were not owned separately.

[Sections 23.18–23.40 reserved for expansion]

**SUBCHAPTER C. LAND DESIGNATED FOR AGRICULTURAL USE**

**Sec. 23.41. Appraisal**

(a) Land designated for agricultural use is appraised at its value based on the land's capacity to produce agricultural products. The value of land based on its capacity to produce agricultural products is determined by capitalizing the average net income the land would have yielded under prudent management from production of agricultural products during the five years preceding the current year. However, if the value of land as determined by capitalization of average net income exceeds the market value of the land as determined by other generally accepted appraisal methods, the land shall be appraised by application of the other appraisal methods.

(b) The State Property Tax Board shall promulgate rules specifying the methods to apply and the procedures to use in appraising land designated for agricultural use.

(c) The board shall compile, publish, and distribute to the appraisal offices and county assessors-collectors information about soil type, general topography, general weather conditions, and other factors affecting land's capacity to produce agricultural products for use in classifying agricultural land.

(d) Each year the board shall compile, publish, and distribute to appraisal offices and county assessors-collectors schedules of the agricultural costs and prices for use in calculating average net income for each type of agricultural operation. The board shall use information provided by other state agencies and educational institutions, federal agencies, and other entities interested in agriculture in developing the classifications of land and the schedules.

(e) Improvements other than appurtenances to the land, the mineral estate, and all land used for residential purposes and for processing harvested agricultural products are appraised separately at market value. Riparian water rights, private roads, dams, reservoirs, water wells, and canals, ditches, terraces, and similar reshaping of or additions to the soil for agricultural purposes are appurtenances to the land, and the effect of each on the value of the land for agricultural use shall be considered in appraising the land. However, the State Property Tax Board shall provide that in calculating average net income from land a deduction from income be allowed for an appurtenance subject to depreciation or depletion.

**Sec. 23.42. Eligibility**

(a) An individual is entitled to have land he owns designated for agricultural use if, on January 1:

(1) the land has been devoted exclusively to or developed continuously for agriculture for the three years preceding the current year;

(2) he is using and intends to use the land for agriculture as an occupation or a business venture for profit during the current year; and

(3) agriculture is his primary occupation and primary source of income.

(b) Use of land for nonagricultural purposes does not deprive an owner of his right to an agricultural designation if the nonagricultural use is secondary to and compatible with the agricultural use of the land.

(c) Agriculture is an individual's primary occupation and primary source of income if as of January 1 he devotes a greater portion of his time to and derives a greater portion of his gross income from agriculture than any other occupation. The time an individual devotes to each occupation and the gross income he derives from each is determined by averaging the time he devoted to each and the gross income he derived from each for any number of consecutive years not exceeding five years immediately preceding January 1 of the current year, that he has engaged in agriculture as an occupation. However, if he has not been engaged in agriculture as an occupation for the entire year preceding January 1, the time he has devoted to and the income he has derived from each occupation since the date he began engaging in agriculture as an occupation determine whether agriculture is his primary occupation and primary source of income.

(d) For purposes of this section:

(1) "Agriculture" means the use of land to produce plant or animal products, including fish or poultry products, under natural conditions but does not include the processing of plant or animal products after harvesting or the production of timber or forest products.

(2) "Occupation" includes employment and a business venture that requires continual supervision or management.

#### Sec. 23.43. Application

(a) An individual claiming the right to have his land designated for agricultural use must apply for the designation each year he claims it. Application for the designation for county taxes is made by filing a sworn application form with the county assessor-collector for each county in which the land is located. Application for the designation for state taxes and the taxes of all taxing units other than the county is made by filing a sworn application form with the chief appraiser for each appraisal district in which the land is located.

(b) A claimant must deliver a completed application form to the chief appraiser or the county assessor-collector, as applicable, before April 1 and must furnish the information required by the form. For good cause shown the chief appraiser or the county assessor-collector, as applicable, may extend the deadline for filing the application by written order for a single period not to exceed 15 days.

(c) If a claimant fails to timely file a completed application form in a given year, he may not receive the agricultural designation for that year.

(d) The State Property Tax Board in prescribing the contents of the application forms shall ensure that each form requires a claimant to furnish the information necessary to determine the validity of the claim. The board shall require that the form permit a claimant who has previously been allowed an agricultural designation to indicate that previously reported information has not changed and to supply only the eligibility information not previously reported.

(e) Before February 1 the chief appraiser or the county assessor-collector, as applicable, shall deliver an application form to each individual whose land was designated for agricultural use during the preceding year. He shall include with the application a brief explanation of the requirements for obtaining agricultural designation.

#### Sec. 23.44. Action on Application

(a) The chief appraiser or the county assessor-collector, as applicable, shall determine individually each claimant's right to the agricultural designation. After considering the application and all relevant information,

the chief appraiser or the county assessor-collector, as applicable, shall, as the law and facts warrant:

- (1) approve the application and designate the land for agricultural use;
- (2) disapprove the application and request additional information from the claimant in support of the claim; or
- (3) deny the application.

(b) If the chief appraiser or the county assessor-collector requests additional information from a claimant, the claimant must furnish the information within 30 days after the date of the request or before April 15, whichever is earlier, or the application is denied. However, for good cause shown the chief appraiser or the county assessor-collector, as applicable, may extend the deadline for furnishing additional information by written order for a single period not to exceed 15 days.

(c) The chief appraiser or the county assessor-collector, as applicable, shall determine the validity of each application for agricultural designation filed with him before he submits the appraisal records for review and determination of protests as provided by Chapter 41 of this code.

(d) If the chief appraiser or the county assessor-collector denies an application, he shall deliver a written notice of the denial to the claimant within five days after the date of denial. The notice must include a brief explanation of the procedures for protesting the denial.

**Sec. 23.45. Application Confidential**

(a) An application for agricultural designation filed with a chief appraiser or a county assessor-collector is confidential and not open to public inspection. The application and the information it contains about specific property or a specific owner may not be disclosed to anyone other than an employee of the appraisal office or of the county assessor-collector who appraises property except as authorized by Subsection (b) of this section.

(b) Information made confidential by this section may be disclosed:

(1) in a judicial or administrative proceeding pursuant to a lawful subpoena;

(2) to the person who filed the application or to his representative authorized in writing to receive the information;

(3) to the director of the State Property Tax Board and his employees authorized by him in writing to receive the information or to an assessor or a chief appraiser if requested in writing;

(4) in a judicial or administrative proceeding relating to property taxation to which the person who filed the application is a party;

(5) for statistical purposes if in a form that does not identify specific property or a specific property owner; or

(6) if and to the extent the information is required to be included in a public document or record that the appraisal office or the county assessor-collector is required to prepare or maintain.

(c) A person who legally has access to an application for agricultural designation or who legally obtains the confidential information the application contains commits a Class B misdemeanor if he knowingly:

(1) permits inspection of the application by a person not authorized to inspect it by Subsection (b) of this section; or

(2) discloses confidential information contained in the report to a person not authorized to receive the information by Subsection (b) of this section.



**Sec. 23.46. Deferred Taxation**

(a) When appraising land designated for agricultural use, the chief appraiser or the county assessor-collector, as applicable, also shall appraise the land at its market value and shall record both the market value and the value based on its capacity to produce agricultural products in the appraisal records.

(b) Property taxes imposed on land designated for agricultural use are based on the land's agricultural use value determined as provided by Section 23.41 of this code after the appropriate assessment ratio has been applied to that value. When an assessor calculates the amount of tax due on the land, however, he shall also calculate the amount of tax that would have been imposed had the land not been designated for agricultural use. The difference in the amount of tax imposed and the amount that would have been imposed is the amount of deferred tax for that year, and the assessor shall enter that amount in his tax records relating to the property.

(c) If land that has been designated for agricultural use in any year is sold or diverted to a nonagricultural use, the total amount of taxes deferred in the three years preceding the year in which the land is sold or diverted plus interest at the rate provided for delinquent taxes becomes due. The assessor for each taxing unit shall include the amount of deferred tax plus interest as back taxes on the next bill for taxes on the land.

[Sections 23.47–23.50 reserved for expansion]

**SUBCHAPTER D. APPRAISAL OF AGRICULTURAL LAND****Sec. 23.51. Definitions**

In this subchapter:

(1) "Qualified open-space land" means land that is currently devoted principally to agricultural use to the degree of intensity generally accepted in the area and that has been devoted principally to agricultural use for five of the preceding seven years or land that is used principally as an ecological laboratory by a public or private college or university. Qualified open-space land includes all appurtenances to the land. For the purposes of this subdivision, appurtenances to the land means private roads, dams, reservoirs, water wells, canals, ditches, terraces, and other reshapings of the soil, fences, and riparian water rights.

(2) "Agricultural use" includes but is not limited to the following activities: cultivating the soil, producing crops for human food, animal feed, or planting seed or for the production of fibers; floriculture, viticulture, and horticulture; raising or keeping livestock; and planting cover crops or leaving land idle for the purpose of participating in any governmental program or normal crop or livestock rotation procedure.

(3) "Category" means the value classification of land considering the agricultural use to which the land is principally devoted. Categories of land include but are not limited to irrigated cropland, dry cropland, improved pasture, native pasture, orchard, and waste and may be further divided according to soil type, soil capability, irrigation, general topography, geographical factors, and other factors which influence the productive capacity of the category. The chief appraiser and the county assessor-collector shall obtain information

from the Texas Agricultural Extension Service, Soil Conservation Service, and other recognized agricultural sources for the purposes of determining the categories of production existing in the appraisal district or county.

(4) "Net to land" means the average annual net income derived from the use of open-space land that would have been earned from the land during the five-year period preceding the appraisal by an owner using ordinary prudence in the management of the land and the farm crops or livestock produced or supported on the land and, in addition, any income received from hunting or recreational leases. The chief appraiser and the county assessor-collector shall calculate net to land using an owner-operator budget, subtracting all ordinary and prudent expenses incurred in pursuit of agricultural use, including all ordinary and prudent expenses incurred in connection with hunting and recreational leases and including owner labor and fixed and variable costs, from the five-year average agricultural income using estimates available from the Texas Agricultural Extension Service, U.S. Agricultural Stabilization and Conservation Service, the Soil Conservation Service, the Texas Department of Agriculture Crop and Livestock Reporting Service, and universities and colleges within this state. Only if insufficient data is available to calculate net to land on the basis of an owner-operator budget, net to land may be determined by considering the income that would be due to the owner of the land under cash lease, share lease, or whatever lease arrangement is typical in that area for that category of land, and all expenses directly attributable to the agricultural use of the land by the owner shall be subtracted from this owner income and the results shall be used in income capitalization. Net to land shall be determined by the same method for all land in the same category located in the same appraisal district or county, as applicable. In calculating net to land, a reasonable deduction shall be made for any depletion that occurs of underground water used in the agricultural operation.

(5) "Income capitalization" means the process of dividing net to land by the capitalization rate to determine the appraised value.

**Sec. 23.52. Appraisal of Qualified Agricultural Land**

(a) The appraised value of qualified open-space land is determined on the basis of the category of the land, using accepted income capitalization methods applied to average net to land. The appraised value so determined may not exceed the market value as determined by other appraisal methods.

(b) The chief appraiser and county assessor-collector shall determine the appraised value according to this subchapter and, when requested by a landowner, the appraised value according to Subchapter C of this chapter of each category of open-space land owned by that landowner and shall make each value and the market value according to the preceding year's appraisal roll available to a person seeking to apply for appraisal as provided by this subchapter or as provided by Subchapter C of this chapter.

(c) The chief appraiser and the county assessor-collector may not change the appraised value of a parcel of open-space land unless the owner has applied for and the land has qualified for appraisal as provided by this subchapter or by Subchapter C of this chapter or unless the change is made as a result of a reappraisal.

(d) The State Property Tax Board by rule shall develop and distribute to each appraisal office and county assessor-collector appraisal manuals setting forth this method of appraising qualified open-space land, and each appraisal office and county assessor-collector shall use the appraisal manuals in appraising qualified open-space land. The State Property Tax Board by rule shall develop and the appraisal office and county assessor-collector shall enforce procedures to verify that land meets the conditions contained in Subdivision (1) of Section 23.51 of this code. The rules, before taking effect, must be approved by a majority vote of a committee comprised of the following officials or their designees: the governor, the comptroller, the attorney general, the agriculture commissioner, and the Commissioner of the General Land Office.

(e) For the purposes of Section 23.55 of this code, the chief appraiser and county assessor-collector also shall determine the market value of qualified open-space land and shall record both the market value and the appraised value in the appraisal records.

(f) The appraisal of minerals or subsurface rights to minerals is not within the provisions of this subchapter.

#### **Sec. 23.53. Capitalization Rate**

The capitalization rate to be used in determining the appraised value of qualified open-space land as provided by this subchapter is 10 percent or the interest rate specified by the Federal Land Bank of Houston on December 31 of the preceding year plus 2-½ percentage points, whichever percentage is greater.

#### **Sec. 23.54. Application**

(a) A person claiming that his land is eligible for appraisal under this subchapter must file a valid application with the chief appraiser for purposes of appraisal by the appraisal district or the county assessor-collector for purposes of appraisal by that officer.

(b) To be valid, the application must:

(1) be on a form provided by the appraisal office or the county assessor-collector, if applicable, and prescribed by the State Property Tax Board; and

(2) contain the information necessary to determine the validity of the claim.

(c) The State Property Tax Board shall include on the form a notice of the penalties prescribed by Section 37.10, Penal Code, for making or filing an application containing a false statement.

(d) The form must be filed before April 1. However, for good cause the tax assessor may extend the filing deadline for not more than 60 days.

(e) If a person fails to file a valid application on time, the land is ineligible for appraisal as provided by this subchapter for that year.

(f) The appraisal office and the county assessor-collector shall make a sufficient number of printed application forms readily available at no charge and shall mail a form each year at least 90 days before the filing deadline to each person owning land that was appraised as provided by this subchapter in the preceding year.

#### **Sec. 23.55. Change of Use of Land**

(a) If the use of land that has been appraised as provided by this subchapter changes, an additional tax is imposed on the land equal to the difference between the taxes imposed on the land for each of the five years preceding the year in which the change of use occurs that the land was appraised as provided by this subchapter and the tax that would

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have been imposed had the land been taxed on the basis of market value in each of those years, plus interest at an annual rate of seven percent calculated from the dates on which the differences would have become due.

(b) A tax lien attaches to the land on the date the change of use occurs to secure payment of the additional tax and interest imposed by this section and any penalties incurred. The lien exists in favor of the state and all taxing units for which the additional tax is imposed.

(c) The additional tax imposed by this section does not apply to a year for which the tax has already been imposed.

(d) If the change of use applies to only part of a parcel that has been appraised as provided by this subchapter, the additional tax applies only to that part of the parcel and equals the difference between the taxes imposed on that part of the parcel and the taxes that would have been imposed had that part been taxed on the basis of market value.

(e) The assessor shall prepare and deliver a statement for the additional taxes as soon as practicable after the change of use occurs. The taxes become delinquent and incur penalties and interest as provided by law for ad valorem taxes imposed by the taxing unit if not paid before the next date on which the unit's taxes become delinquent that is more than 10 days after the date the statement is delivered.

(f) The sanctions provided by Subsection (a) of this section do not apply if the change of use occurs as a result of a sale for right-of-way or a condemnation.

(g) If the use of the land changes to a use that qualifies under Subchapter E of this chapter, the sanctions provided by Subsection (a) of this section do not apply.

(h) Additional taxes, if any, for a year in which land was designated for agricultural use as provided by Subchapter C of this chapter (or Article VIII, Section 1-d, of the constitution) are determined as provided by that subchapter, and the additional taxes imposed by this section do not apply for that year.

**Sec. 23.56. Land Ineligible for Appraisal as Open-Space Land**

Land is not eligible for appraisal as provided by this subchapter if:

(1) the land is located inside the corporate limits of an incorporated city or town, unless:

(A) the city or town is not providing the land with governmental and proprietary services substantially equivalent in standard and scope to those services it provides in other parts of the city or town with similar topography, land utilization, and population density; or

(B) the land has been devoted principally to agricultural use continuously for the preceding five years;

(2) the land is owned by an individual who is a nonresident alien or by a foreign government if that individual or government is required by federal law or by rule adopted pursuant to federal law to register his ownership or acquisition of that property; or

(3) the land is owned by a corporation, partnership, trust, or other legal entity if the entity is required by federal law or by rule adopted pursuant to federal law to register its ownership or acquisition of that land and a nonresident alien or a foreign government or

any combination of nonresident aliens and foreign governments own a majority interest in the entity.

[Sections 23.57-23.70 reserved for expansion]

#### **SUBCHAPTER E. APPRAISAL OF TIMBER LAND**

##### **Sec. 23.71. Definitions**

In this subchapter:

(1) "Category of the land" means the value classification of land for timber production, based on soil type, soil capability, general topography, weather, location, and other pertinent factors, as determined by competent governmental sources.

(2) "Net to land" means the average net income that would have been earned by a category of land over the preceding five years by a person using ordinary prudence in the management of the land and the timber produced on the land. The net income for each year is determined by multiplying the land's potential average annual growth, expressed in cords or board feet of wood, by the average stumpage value, taking into consideration the three general types of timber as produced on the four different soil types, as determined by using information from the U.S. Forest Service, U.S. Geological Survey, the Soil Conservation Service, the Texas Forest Service, and colleges and universities within this state, and by subtracting from the product reasonable management costs and other reasonable expenses directly attributable to the production of the timber.

##### **Sec. 23.72. Qualification for Productivity Appraisal**

Land qualifies for appraisal as provided by this subchapter if it is currently and actively devoted principally to production of timber or forest products to the degree of intensity generally accepted in the area with intent to produce income and has been devoted principally to production of timber or forest products for five of the preceding seven years.

##### **Sec. 23.73. Appraisal of Qualified Timber Land**

(a) The appraised value of qualified timber land is determined on the basis of the category of the land, using accepted income capitalization methods applied to average net to land. The appraised value so determined may not exceed the market value of the land as determined by other appraisal methods.

(b) The State Property Tax Board by rule shall develop and distribute to each appraisal office and county assessor-collector appraisal manuals setting forth this method of appraising qualified timber land, and each appraisal office and county assessor-collector shall use the appraisal manuals in appraising qualified timber land. The State Property Tax Board by rule shall develop and the appraisal office and county assessor-collector shall enforce procedures to verify that land meets the conditions contained in Section 23.72 of this code. The rules, before taking effect, must be approved by majority vote of a committee comprised of the following officials or their designees: the governor, the comptroller, the attorney general, the agriculture commissioner, and the Commissioner of the General Land Office.

(c) For the purposes of Section 23.76 of this code, the chief appraiser and the county assessor-collector also shall determine the market value of qualified timber land and shall record both the market value and the appraised value in the appraisal records.

(d) The appraisal of minerals or subsurface rights to minerals is not within the provisions of this subchapter.

**Sec. 23.74. Capitalization Rate**

The capitalization rate to be used in determining the appraised value of qualified timber land as provided by this subchapter is the interest rate specified by the Federal Land Bank of Houston on December 31 of the preceding year plus 2- $\frac{1}{2}$  percentage points.

**Sec. 23.75. Application**

(a) A person claiming that his land is eligible for appraisal as provided by this subchapter must file a valid application with the chief appraiser for purposes of appraisal by the appraisal district or the county assessor-collector for purposes of appraisal by that officer.

(b) To be valid, the application must:

(1) be on a form provided by the appraisal office or the county assessor-collector, if applicable, and prescribed by the State Property Tax Board; and

(2) contain the information necessary to determine the validity of the claim.

(c) The State Property Tax Board shall include on the form a notice of the penalties prescribed by Section 37.10, Penal Code, for making or filing an application containing a false statement.

(d) The form must be filed before April 1. However, for good cause the tax assessor may extend the filing deadline for not more than 60 days.

(e) If a person fails to file a valid application on time, the land is ineligible for appraisal as provided by this subchapter for that year.

(f) The appraisal office and the county assessor-collector shall make a sufficient number of printed application forms readily available at no charge and shall mail a form each year at least 90 days before the filing deadline to each person owning land that was appraised as provided by this subchapter in the preceding year.

**Sec. 23.76. Change of Use of Land**

(a) If the use of land that has been appraised as provided by this subchapter changes, an additional tax is imposed on the land equal to the difference between the taxes imposed on the land for each of the five years preceding the year in which the change of use occurs that the land was appraised as provided by this subchapter and the tax that would have been imposed had the land been taxed on the basis of market value in each of those years, plus interest at an annual rate of seven percent calculated from the dates on which the differences would have become due.

(b) A tax lien attaches to the land on the date the change of use occurs to secure payment of the additional tax and interest imposed by this section and any penalties incurred. The lien exists in favor of the state and all taxing units for which the additional tax is imposed.

(c) The additional tax imposed by this section does not apply to a year for which the tax has already been imposed.

(d) If the change of use applies to only part of a parcel that has been appraised as provided by this subchapter, the additional tax applies only to that part of the parcel and equals the difference between the taxes imposed on that part of the parcel and the taxes that would have been imposed had that part been taxed on the basis of market value.

(e) The assessor shall prepare and deliver a statement for the additional taxes as soon as practicable after the change of use occurs. The

taxes become delinquent and incur penalties and interest as provided by law for ad valorem taxes imposed by the taxing unit if not paid before the next date on which the unit's taxes become delinquent that is more than 10 days after the date the statement is delivered.

(f) The sanctions provided by Subsection (a) of this section do not apply if the change of use occurs as a result of a sale for right-of-way or a condemnation.

(g) If the use of the land changes to a use that qualifies under Subchapter C or D of this chapter, the sanctions provided by Subsection (a) of this section do not apply.

**Sec. 23.77. Land Ineligible for Appraisal as Timber Land**

Land is not eligible for appraisal as provided by this subchapter if:

(1) the land is located inside the corporate limits of an incorporated city or town, unless:

(A) the city or town is not providing the land with governmental and proprietary services substantially equivalent in standard and scope to those services it provides in other parts of the city or town with similar topography, land utilization, and population density; or

(B) the land has been devoted principally to production of timber or forest products continuously for the preceding five years;

(2) the land is owned by an individual who is a nonresident alien or by a foreign government if that individual or government is required by federal law or by rule adopted pursuant to federal law to register his ownership or acquisition of that property; or

(3) the land is owned by a corporation, partnership, trust, or other legal entity if the entity is required by federal law or by rule adopted pursuant to federal law to register its ownership or acquisition of that land and a nonresident alien or a foreign government or any combination of nonresident aliens and foreign governments own a majority interest in the entity.

**Sec. 23.78. Minimum Appraisal of Timber Land**

The value for ad valorem tax purposes of qualified timber land appraised as provided by this article may not be less than the appraised value of that land for the 1978 tax year, except that the value used for any tax year may not exceed the fair market value of the land as determined by other generally accepted appraisal methods.

**CHAPTER 24. CENTRAL APPRAISAL**

**SUBCHAPTER A. TRANSPORTATION BUSINESS INTANGIBLES**

**Section**

- 24.01. Appraisal by State Property Tax Board.
- 24.02. Property Information Report.
- 24.03. Additional Information.
- 24.04. Penalty for Failure or Refusal to Deliver Required Information.
- 24.05. Assistance from State Agencies.
- 24.06. Method of Appraisal.
- 24.07. Intrastate Apportionment.
- 24.08. Protest Hearing.
- 24.09. Notice.
- 24.10. Rules.
- 24.11. Certification of Apportioned Value.
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24.13. Imposition of Tax.

24.14. Exemption from Gross Receipts Tax.

[Sections 24.15–24.30 reserved for expansion]

**SUBCHAPTER B. RAILROAD ROLLING STOCK**

24.31. Appraisal at Headquarters.

24.32. Rolling Stock Information Reports.

24.33. Report of Lease Rolling Stock Forwarded.

24.34. Interstate Allocation.

24.35. Notice, Review, and Protest.

24.36. Certification to State Property Tax Board.

24.37. Intrastate Apportionment.

24.38. Certification of Apportioned Value.

24.39. Imposition of Tax.

24.40. Omitted Property.

**SUBCHAPTER A. TRANSPORTATION BUSINESS INTANGIBLES**

**Section 24.01. Appraisal by State Property Tax Board**

The State Property Tax Board shall appraise for taxation the intangible value of the transportation operation in this state of the following businesses:

- (1) railroads;
- (2) toll roads, toll bridges, and ferries;
- (3) motor bus carriers subject to regulation by the railroad commission;
- (4) common or contract motor carriers subject to regulation by the railroad commission; and
- (5) oil pipelines and common carrier pipelines engaged in the transportation of oil.

**Sec. 24.02. Property Information Report**

(a) In addition to any reports required by Chapter 22 or Section 24.32 of this code, a person who on January 1 owns or manages and controls as a fiduciary a transportation business described by Section 24.01 of this code shall file a property information report with the board annually.

(b) The report must be on a form prescribed and furnished by the board. In prescribing the forms, the board shall ensure that each requires a taxpayer to furnish the information necessary for the board to perform its duties under this subchapter.

(c) The report must contain all the information required by the form and must be signed by the individual required to file the report by Subsection (a) of this section. When a corporation is required to file the report, an officer of the corporation must sign the report.

(d) Reports must be filed before May 1. For good cause shown the board may extend the filing deadline by written order for a single period not to exceed 30 days.

**Sec. 24.03. Additional Information**

(a) If the board determines that it needs information in addition to that furnished in a transportation business's property information report, the board may require the business to supply the additional information by written notice delivered to the business by registered or certified mail, return receipt requested.



(b) A business shall furnish any additional information required as provided by Subsection (a) of this section within 15 days after the date notice is mailed. For good cause shown the board may extend the deadline for a single period not to exceed 15 days.

**Sec. 24.04. Penalty for Failure or Refusal to Deliver Required Information**

(a) If a transportation business knowingly fails or refuses to deliver a completed report in the time and manner required by Section 24.02 of this code or knowingly fails or refuses to deliver additional information in the time and manner required by Section 24.03, the business is liable to the state for a civil penalty not exceeding \$5,000.

(b) The attorney general shall collect the penalty in a suit on the board's behalf. Venue for suit is in Travis County.

**Sec. 24.05. Assistance from State Agencies**

The board may call on the railroad commission or any other state entity that may have information or expertise relevant to the board's duties under this chapter for assistance in determining the amount, value, interstate allocation, and intrastate apportionment of a transportation business's property.

**Sec. 24.06. Method of Appraisal**

(a) To appraise the intangible value of the transportation operation in this state of a transportation business described by Section 24.01 of this code, the board shall determine the market value of the operating portion of the business as of January 1.

(b) If the business has property used in its transportation business located in another state or country or used both inside and outside this state, the board shall allocate to this state the proportion of the total market value of the business's transportation operation that fairly reflects its use in this state.

(c) The board shall deduct the market value of the business's tangible operating property located in or allocable to this state from the market value of all the transportation operation allocable to this state determined as provided by Subsection (b) of this section. The remainder is the market value of the intangibles of the business in this state.

**Sec. 24.07. Intrastate Apportionment**

The board shall apportion to each county in which a transportation business described by Section 24.01 of this code operates the proportion of the market value of its intangibles in this state determined as provided by Section 24.06 of this code that fairly reflects its use in the county.

**Sec. 24.08. Protest Hearing**

(a) After it apportions intangible values among the counties, the board shall determine the date, time, and place it will convene for a public hearing to decide protests of its appraisal, interstate allocation, or intrastate apportionment.

(b) The board shall convene a hearing to determine protests before June 15 of each year. The board shall finally decide all protests before July 15 of each year.

(c) Section 19 and Subsections (c) through (f) of Section 16, Administrative Procedure and Texas Register Act, do not apply to hearings under this section. The board's decision may be appealed as provided by Chapter 42 of this code.

**Sec. 24.09. Notice**

(a) Before May 31 of each year and at least 10 days before the date fixed for protest hearings pursuant to Section 24.08 of this code, the

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board shall notify each transportation business whose intangible value in this state it has appraised of the board's determination of:

- (1) the market value of the business's transportation operation;
  - (2) the amount of that value allocated to this state in the case of an interstate or international business;
  - (3) the market value of its tangible property located in or allocable to this state;
  - (4) the market value of its intangibles in this state; and
  - (5) the amount of intangible value apportioned to each county in which the business operates.
- (b) The notice shall be in writing, delivered by registered or certified mail, return receipt requested, and shall include the date, time, and place the board will convene a hearing to decide protests.

**Sec. 24.10. Rules**

The board shall adopt rules to implement this subchapter. The rules shall prescribe, among other matters:

- (1) the evidences of value and appraisal formulas used in appraising property under this subchapter;
- (2) the formulas applied to each kind of transportation business in making interstate allocations and intrastate apportionments;
- (3) the requirements of report forms; and
- (4) the nature of the good cause required to extend the reporting deadline.

**Sec. 24.11. Certification of Apportioned Value**

(a) Before August 1, the board shall certify to the assessor-collector for each county in which a business described by Section 24.01 of this code operates:

- (1) the name and address of each business that operates in the county; and
- (2) the amount of the market value of the business's intangibles apportioned to the county.

(b) Before August 1, the board also shall certify to the comptroller:

- (1) the name and address of each business described by Section 24.01 of this code that operates in this state;
- (2) the market value of each business's intangibles in this state; and
- (3) the amount of the market value of the business's intangibles that is apportioned to each county.

**Sec. 24.12. Omitted Property**

(a) If the board discovers that the intangible value of the transportation operation in this state of a business described by Section 24.01 of this code has not been appraised and apportioned to the counties in one of the two preceding years, the board shall appraise the property and apportion its value as of January 1 for each year it was omitted.

(b) The board shall note that the appraisal and allocation are for intangibles that escaped taxation in a prior year and shall indicate the year and the appraised value for each year.

**Sec. 24.13. Imposition of Tax**

The county assessor-collector and commissioners court may not change the apportioned values certified as provided by this subchapter. The county assessor-collector shall add each business's intangibles and the value apportioned to the county as certified to him to the appraisal roll certified to him by the chief appraiser pursuant to Section 26.01 of this code for state tax purposes and to the county appraisal roll for county

tax purposes. He shall calculate the state and county tax due on the intangible value as provided by Section 26.09 of this code.

**Sec. 24.14. Exemption from Gross Receipts Tax**

A transportation business described by Section 24.01 of this code that pays all ad valorem taxes imposed on its intangible value in full and before delinquent is not liable in that year for any occupation tax measured by gross receipts imposed by any law of this state.

[Sections 24.15-24.30 reserved for expansion]

**SUBCHAPTER B. RAILROAD ROLLING STOCK**

**Sec. 24.31. Appraisal at Headquarters**

The county assessor-collector for the county in which the owner of rolling stock used by a railroad resides or maintains a principal place of business in this state shall appraise for taxation the rolling stock owned on January 1. However, if the owner does not reside or maintain a place of business in this state, the county assessor-collector for the county in which a railroad that leases the rolling stock maintains its principal place of business in this state shall appraise it.

**Sec. 24.32. Rolling Stock Information Reports**

(a) In addition to any reports required by Chapter 22 or Section 24.02 of this code, a person who on January 1 owns or manages and controls as a fiduciary any rolling stock used in the operation of a railroad shall file a property information report listing the rolling stock with the county assessor-collector for the county in which the owner maintains his principal place of business in this state.

(b) If the owner of a railroad is leasing or otherwise using rolling stock on January 1 for use in the operation of the railroad, he shall file a separate report, attached to the report required by Subsection (a) of this section, listing the rolling stock, the name and business address of the owner, and the full consideration for the lease or use.

(c) A report required by this section must be on a form prescribed by the State Property Tax Board. In prescribing the form, the board shall ensure that it requires the information necessary to determine market value of rolling stock used in this state.

(d) The report must contain all the information required by the form and must be signed by the individual required to file the report by Subsection (a) of this section. When a corporation is required to file the report, an officer of the corporation must sign the report.

(e) A report must be filed before April 1. For good cause shown the county assessor-collector may extend the filing deadline by written order for a single period not to exceed 15 days.

**Sec. 24.33. Report of Leased Rolling Stock Forwarded**

If the owner of leased rolling stock resides in this state or maintains a place of business in this state, the county assessor-collector receiving the lessee's report required by Subsection (b) of Section 24.32 of this code shall deliver a certified copy of the report by registered or certified mail to the county assessor-collector responsible for appraising the rolling stock as provided by Section 24.31 of this code.

**Sec. 24.34. Interstate Allocation**

(a) If the railroad operates in another state or country, the county assessor-collector shall allocate to this state the proportion of the total market value of the rolling stock that fairly reflects its use in this state during the preceding tax years.

(b) The State Property Tax Board shall adopt rules establishing formulas for interstate allocation of the value of railroad rolling stock.

**Sec. 24.35. Notice, Review, and Protest**

(a) The county assessor-collector shall deliver notice to the owner of the rolling stock as provided by Section 25.19 of this code and present the appraised value for review and protest as provided by Chapter 41 of this code.

(b) Review and protests of appraisals of railroad rolling stock must be completed by June 1 or as soon thereafter as practicable and for that reason shall be given priority.

**Sec. 24.36. Certification to State Property Tax Board**

On approval of the appraised value of the rolling stock as provided by Chapter 41 of this code, the county assessor-collector shall certify to the State Property Tax Board the amount of market value allocated to this state for each owner whose rolling stock is appraised in the county and the name and business address of each owner.

**Sec. 24.37. Intrastate Apportionment**

The State Property Tax Board shall apportion the appraised value of each owner's rolling stock to each county in which the railroad using it operates according to the ratio the mileage of road owned by the railroad in the county bears to the total mileage of road the railroad owns in this state.

**Sec. 24.38. Certification of Apportioned Value**

(a) Before August 1, the State Property Tax Board shall certify to the county assessor-collector for each county in which a railroad operates:

- (1) the county's apportioned amount of the market value of each owner's rolling stock; and
- (2) the name and business address of each owner.

(b) Before August 1 the board also shall certify to the comptroller:

- (1) the name and address of each owner of railroad rolling stock that is appraised pursuant to this subchapter;
- (2) the market value of each owner's rolling stock; and
- (3) the amount of the market value that is apportioned to each county.

**Sec. 24.39. Imposition of Tax**

The county assessor-collector and commissioners court may not change the apportioned values certified as provided by this subchapter. The county assessor-collector shall add each owner's rolling stock and the value apportioned to the county as certified to him to the appraisal roll certified to him by the chief appraiser as provided by Section 26.01 of this code for state tax purposes and to the county appraisal roll for county tax purposes. He shall calculate the state and county tax due on the rolling stock as provided by Section 26.09 of this code.

**Sec. 24.40. Omitted Property**

(a) If a county assessor-collector discovers that rolling stock used in this state and subject to appraisal by him has not been appraised and apportioned to the counties in one of the two preceding years, he shall appraise the property as of January 1 for each year it was omitted, submit the appraisal for review and protest, and certify the approved value to the State Property Tax Board.

(b) The certification shall show that the appraisal is for property that escaped taxation in a prior year and shall indicate the year and the appraised value for each year.

**CHAPTER 25. LOCAL APPRAISAL****Section**

- 25.01. Preparation of Appraisal Records.
- 25.02. Form and Content.
- 25.03. Description.
- 25.04. Separate Estates or Interests.
- 25.05. Life Estates.
- 25.06. Property Encumbered by Possessory or Security Interest.
- 25.07. Leasehold and Other Possessory Interests in Exempt Property.
- 25.08. Improvements.
- 25.09. Condominiums and Planned Unit Developments.
- 25.10. Standing Timber.
- 25.11. Undivided Interests.
- 25.12. Mineral Interest.
- 25.13. Exempt Property Subject to Contract of Sale.
- 25.14. Stock in Banking Corporation.
- 25.15. Bank Personal Property Subject to Lease.
- 25.16. Property Losing Exemption During Tax Year.
- 25.17. Property Overlapping Taxing Unit Boundaries.
- 25.18. Periodic Review of Values.
- 25.19. Notice of Appraised Value.
- 25.20. Notice to Taxing Units.
- 25.21. Omitted Property.
- 25.22. Submission for Review and Protest.
- 25.23. Supplemental Appraisal Records.
- 25.24. Appraisal Roll.
- 25.25. Correction of Appraisal Roll.

**Section 25.01. Preparation of Appraisal Records**

(a) By April 15 or as soon thereafter as practicable, the chief appraiser and the county assessor-collector shall prepare appraisal records listing all property that is taxable in the county or the district, as applicable, except the property appraised as provided by Chapter 24 of this code, and stating the appraised value of each.

(b) The chief appraiser with the approval of the board of directors of the district may contract with a private appraisal firm to perform appraisal services for the district, subject to his approval. The commissioners court with the approval of the county assessor-collector may contract with a private appraisal firm to perform appraisal services for the county, subject to the county assessor-collector's approval. A contract for private appraisal services is void if the amount of compensation to be paid the private appraisal firm is contingent on the amount of or increase in appraised, assessed, or taxable value of property appraised by the appraisal firm.

(c) A contract for appraisal services for an appraisal district or a county is invalid if it does not provide that copies of the appraisal, together with supporting data, must be made available to the appraisal district or county, and such appraisals and supporting data shall be public records. "Supporting data" shall not be construed to include personal notes, correspondence, working papers, thought processes, or any other matters of a privileged or proprietary nature.

**Sec. 25.02. Form and Content**

The appraisal records shall be in the form prescribed by the State Property Tax Board and shall include:

- (1) the name and address of the owner or, if the name or address is unknown, a statement that it is unknown;
- (2) real property;
- (3) separately taxable estates or interests in real property, including taxable possessory interests in exempt real property;
- (4) personal property;
- (5) the appraised value of land and, if the land is appraised as provided by Subchapter C, D, or E, Chapter 23 of this code, the market value of the land;
- (6) the appraised value of improvements to land;
- (7) the appraised value of a separately taxable estate or interest in land;
- (8) the appraised value of personal property;
- (9) the kind of any partial exemption the owner is entitled to receive, whether the exemption applies to appraised or assessed value, and, in the case of an exemption authorized by Section 11.23 of this code, the amount of the exemption;
- (10) the tax year to which the appraisal applies; and
- (11) in the case of appraisal records prepared by the chief appraiser, an identification of each taxing unit in which the property is taxable.

**Sec. 25.03. Description**

(a) Property shall be described in the appraisal records with sufficient certainty to identify it.

(b) The State Property Tax Board may adopt rules establishing minimum standards for descriptions of property.

**Sec. 25.04. Separate Estates or Interests**

Except as otherwise provided by this chapter, when different persons own land and improvements in separate estates or interests, each separately owned estate or interest shall be listed separately in the name of the owner of each if the estate or interest is described in a duly executed and recorded instrument of title.

**Sec. 25.05. Life estates**

Real property owned by a life tenant and remainderman shall be listed in the name of the life tenant.

**Sec. 25.06. Property Encumbered by Possessory or Security Interest**

Except as provided by Sections 25.07 and 25.15 of this code, property encumbered by a leasehold or other possessory interest or by a mortgage, deed of trust, or other interest securing payment or performance of an obligation shall be listed in the name of the owner of the property so encumbered.

**Sec. 25.07. Leasehold and Other Possessory Interests in Exempt Property**

(a) Except as provided by Subsection (b) of this section, a leasehold or other possessory interest in property that is exempt from taxation to the owner of the estate or interest encumbered by the possessory interest shall be listed in the name of the owner of the possessory interest if the duration of the interest may be at least one year.

(b) Except as provided by Subsections (b) and (c) of Section 11.11 of this code, a leasehold or other possessory interest in exempt property may not be listed if:

- (1) the property is permanent university fund land;

- (2) the property is county public school fund agricultural land;
- (3) the property is a part of a public transportation facility owned by an incorporated city or town and:

- (A) is an airport passenger terminal building or a building used by certified air carriers primarily for maintenance of aircraft or other aircraft services, for aircraft equipment storage, or for air cargo;

- (B) is an airport fueling system facility servicing certified air carriers; or

- (C) is in a foreign-trade zone established and operating pursuant to federal law if the area of the zone does not exceed 250 acres;

- (4) the interest is in a part of a park, market, fairground, or similar public facility that is owned by an incorporated city or town; or

- (5) the interest involves only the right to use the property for grazing or other agricultural purposes.

#### **Sec. 25.08. Improvements**

(a) Except as provided by Subsections (b) through (d) of this section, an improvement may be listed in the name of the owner of the land on which the improvement is located.

(b) If a person who is not entitled to exemption owns an improvement on exempt land, the improvement shall be listed in the name of the owner of the improvement.

(c) When a person other than the owner of an improvement owns the land on which the improvement is located, the land and the improvement shall be listed separately in the name of the owner of each if either owner files with the chief appraiser or the county assessor-collector, as applicable, before April 1 a written request for separate taxation on a form furnished for that purpose together with proof of separate ownership. After an improvement qualifies for taxation separate from land, the qualification remains effective in subsequent tax years and need not be requested again. However, the qualification ceases when ownership of the land or the improvement is transferred or either owner files a request to cancel the separate taxation.

(d) Within 30 days after an owner of land or an improvement qualifies for separate taxation or cancels a qualification, the chief appraiser or the county assessor-collector, as applicable, shall deliver a written notice of the qualification or cancellation to the other owner.

#### **Sec. 25.09. Condominiums and Planned Unit Developments**

(a) A separately owned apartment or unit in a condominium as defined in the Condominium Act shall be listed in the name of the owner of each particular apartment or unit. The value of each apartment or unit shall include the value of its fractional share in the common elements of the condominium.

(b) Property owned by a planned unit development association may be listed and taxes imposed proportionately against each member of the association if the association files with the chief appraiser or the county assessor-collector, as applicable, before April 1 a resolution adopted by vote of a majority of all members of the association authorizing the proportionate imposition of taxes. A resolution adopted as provided by this subsection remains effective in subsequent tax years unless it is revoked by a similar resolution.

(c) If property is listed and taxes imposed proportionately as authorized by Subsection (b) of this section, the amount of tax to be imposed

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on the association's property shall be divided by the number of parcels of real property in the development. The quotient is the proportionate amount of tax to be imposed on each parcel, and a tax lien attaches to each parcel to secure payment of its proportionate share of the tax on the association's property.

(d) For purposes of this section, "planned unit development association" means an association that owns and maintains property in a real property development project for the benefit of its members, who are owners of individual parcels of real property in the development and are members of the association because of that ownership.

**Sec. 25.10. Standing Timber**

(a) Except as provided by Subsections (b) and (c) of this section, standing timber may be listed together with the land on which it is located in the name of the owner of the land.

(b) If a person who is not entitled to exemption owns standing timber on exempt land, the timber shall be listed separately in the name of the owner of the timber.

(c) When a person other than the owner of standing timber owns the land on which the timber is located, the land and the timber shall be listed separately in the name of the owner of each if either owner files with the chief appraiser or the county assessor-collector, as applicable, before April 1 a written request for separate taxation on a form furnished for that purpose together with proof of separate ownership. A qualification for separate taxation of timber expires at the end of the tax year.

(d) Within 30 days after an owner of land or timber qualifies for separate taxation, the chief appraiser or the county assessor-collector, as applicable, shall deliver a written notice of the qualification to the other owner.

**Sec. 25.11. Undivided Interests**

(a) Except as provided by Section 25.12 of this code and by Subsection (b) of this section, a property owned in undivided interests may be listed jointly in the name of all owners of undivided interests in the property or in the name of any one or more owners.

(b) An undivided interest in a property shall be listed separately from other undivided interests in the property in the name of its owner if the interest is described in a duly executed and recorded instrument of title and the owner files with the appraisal office or the county assessor-collector, as applicable, before April 1 a written request for separate taxation on a form furnished for that purpose together with proof of ownership and of the proportion his interest bears to the whole. After an undivided interest qualifies for separate taxation, the qualification remains effective in subsequent tax years and need not be requested again. However, the qualification ceases when ownership is transferred or when any owner files a request to cancel separate taxation.

(c) Within 30 days after an owner qualifies for separate taxation or cancels a qualification, the chief appraiser or the county assessor-collector, as applicable, shall deliver a written notice of the qualification or cancellation to the other owners.

**Sec. 25.12. Mineral Interest**

(a) Except as provided by Subsection (b) of this section, each separate interest in minerals in place shall be listed separately from other interests in the minerals in place in the name of the owner of the interest.

(b) Separate interests in minerals in place shall be listed jointly in the name of the operator designated with the railroad commission or the



name of all owners or any combination of owners if the designated operator files with the appraisal office or the county assessor-collector, as applicable, before April 1 a written request for joint taxation on a form furnished for that purpose. A qualification pursuant to this subsection for joint taxation expires at the end of the tax year.

**Sec. 25.13. Exempt Property Subject to Contract of Sale**

Property that is exempt from taxation to the titleholder but is subject on January 1 to a contract of sale to a person not entitled to exemption shall be listed in the name of the purchaser.

**Sec. 25.14. Stock in Banking Corporation**

Stock in a banking corporation may be listed in the name of the bank as agent for its stockholders.

**Sec. 25.15. Bank Personal Property Subject to Lease**

Tangible personal property owned by a banking corporation that is not liable for taxes on its tangible personal property and is leased to another shall be listed in the name of the lessee.

**Sec. 25.16. Property Losing Exemption During Tax Year**

(a) If an exemption applicable to a property on January 1 terminates during the tax year, the property shall be listed in the name of the person who owns or acquires the property on the date applicability of the exemption terminates.

(b) The chief appraiser or the county assessor-collector, as applicable, shall make an entry on the appraisal records showing that taxes on the property are to be calculated as provided by Section 26.09 of this code and showing the date on which exemption terminated.

**Sec. 25.17. Property Overlapping Taxing Unit Boundaries**

If real property is located partially outside and partially inside a taxing unit's boundaries, the portion inside the unit's boundaries shall be listed separately from the remaining portion.

**Sec. 25.18. Periodic Review of Values**

(a) Each appraisal office and each county assessor-collector shall implement a plan for periodic review of property to update appraised values.

(b) The plan shall provide for review of all real property in the district or county, as applicable, at least once every five years.

(c) If an appraisal office's plan does not provide for annual review of property to update appraised values, a taxing unit by resolution adopted by its governing body may require the appraisal office to review all property within the unit's boundaries annually. A taxing unit that requires annual review as permitted by this subsection must pay the appraisal district for the additional expense incurred in making an annual review of the property in the unit.

(d) A taxing unit containing not more than 1,000 acres by resolution adopted by its governing body may require the appraisal office to appraise all property within the unit or to identify and appraise newly annexed territory and new improvements in the unit as of a date specified in the resolution. On or before the deadline requested by the taxing unit, which deadline may not be less than 30 days after the date the resolution is delivered to the appraisal office, the chief appraiser shall complete the appraisal and certify to the unit an estimate of the total appraised value of property taxable by the unit as of the date specified in such resolution. The unit must pay the appraisal district for the cost of making the appraisal. The chief appraiser shall provide sufficient personnel to make

the appraisals required by this subsection on or before the deadline requested by the taxing unit.

**Sec. 25.19. Notice of Appraised Value**

(a) By April 15 or as soon thereafter as practicable and, in any event, not later than the 20th day before the date the appraisal review board or commissioners court begins considering a protest on a property, the chief appraiser and the county assessor-collector shall deliver a written notice to a property owner of the appraised value of his property if:

- (1) the appraised value of the property is greater than it was in the preceding year; or
- (2) the property was not on the appraisal roll in the preceding year.

(b) The county assessor-collector shall include in the notice:

- (1) the appraised, assessed, and taxable value of the property in the preceding year;
- (2) the amount of county taxes imposed on the property in the preceding year;
- (3) the appraised value of the property for the current year;
- (4) the amount of county taxes that will be imposed on the property for the current year if neither the tax rate nor the assessment ratio in effect in the county in the preceding year is reduced; and
- (5) a brief explanation of the time and procedure for protesting the appraisal.

(c) The chief appraiser shall include in the notice:

- (1) a list of the taxing units in which the property is taxable;
- (2) the appraised value of the property in the preceding year;
- (3) the assessed and taxable value of the property in the preceding year for each taxing unit taxing the property and the amount of taxes each imposed in the preceding year;
- (4) the appraised value of the property for the current year;
- (5) the amount of taxes each taxing unit will impose on the property in the current year if neither the tax rate nor the assessment ratio in effect in that unit in the preceding year is reduced; and
- (6) a brief explanation of the time and procedure for protesting the value.

(d) Failure to receive the notice required by this section does not affect the validity of the appraisal of the property, the imposition of any tax on the basis of the appraisal, the existence of any tax lien, or any proceeding instituted to collect the tax.

(e) The chief appraiser, with the approval of the appraisal district board of directors, or the county assessor-collector may dispense with the notice required by Subdivision (1) of Subsection (a) of this section if the amount of increase in appraised value is \$1,000 or less.

**Sec. 25.20. Notice to Taxing Units**

(a) By April 15 or as soon thereafter as practicable, the chief appraiser shall submit to each taxing unit in the district a certified estimate of the total appraised value of all property in the district that is taxable by the unit.

(b) The chief appraiser shall give the assessor for a taxing unit in the district reasonable access to the appraisal records at any time.

**Sec. 25.21. Omitted Property**

(a) If the county assessor-collector in the case of county taxes or the chief appraiser in the case of state taxes or taxes for a taxing unit other than the county discovers that real property was not taxed in any one of

the 10 preceding years or that personal property was not taxed in one of the two preceding years, he shall appraise the property as of January 1 of each year that it escaped taxation and enter the property and its appraised value in the appraisal records.

(b) The entry shall show that the appraisal is for property that escaped taxation in a prior year and shall indicate the year and the appraised value for each year.

**Sec. 25.22. Submission for Review and Protest**

(a) By April 15 or as soon thereafter as practicable, the chief appraiser shall submit the completed appraisal records to the appraisal review board for review and determination of protests. However, the chief appraiser may not submit the records until he has delivered the notices required by Subsection (d) of Section 11.45, Subsection (d) of Section 23.44, and Sections 25.19 and 25.20 of this code.

(b) By April 15 or as soon thereafter as practicable, the county assessor-collector shall submit the completed appraisal records for county purposes to the commissioners court for review and determination of protests. However, the county assessor-collector may not submit the records until he has delivered the notices required by Subsection (d) of Section 11.45, Subsection (d) of Section 23.44, and Section 25.19 of this code.

(c) The chief appraiser and the county assessor-collector shall make and subscribe an affidavit on the submission substantially as follows:

"I, \_\_\_\_\_, (Chief Appraiser or County Assessor-Collector, as applicable) for \_\_\_\_\_ solemnly swear that I have made or caused to be made a diligent inquiry to ascertain all property in the county subject to appraisal by me and that I have included in the records all property that I am aware of at an appraised value determined as required by law."

(d) The chief appraiser or the county assessor-collector may require of his employees who are engaged in listing and appraising property an affidavit similar to his own.

**Sec. 25.23. Supplemental Appraisal Records**

(a) After submission of appraisal records, the chief appraiser or the county assessor-collector, as applicable, shall prepare supplemental appraisal records listing each taxable property he discovers that is not included in the records already submitted, including property that escaped taxation in a prior tax year.

(b) Supplemental appraisal records shall be in the form prescribed by the State Property Tax Board and shall include the items required by Section 25.02 of this code.

(c) As soon as practicable after determining the appraised value of a property listed in supplemental appraisal records, the chief appraiser or the county assessor-collector, as applicable, shall deliver the notices required by Sections 25.19 and 25.20 of this code, if applicable, and submit the records for review and determination of protest as provided by Section 25.22 of this code.

(d) Supplemental appraisal records are subject to review and protest as provided by Chapters 41 and 42 of this code. However, a property owner must file a protest petition within 10 days after the date the records are submitted for review, and the appraisal review board or the commissioners court, as applicable, shall complete its review within 30 days after the date the records are submitted or as soon thereafter as practicable.

(e) The chief appraiser shall add supplemental appraisal records, as changed by the appraisal review board and approved by that board, to the appraisal roll for the district and certify the addition to the taxing units. The county assessor-collector shall add supplemental appraisal records prepared by him, as changed and approved by the commissioners court acting as a board of equalization, to the appraisal roll for county tax purposes.

**Sec. 25.24. Appraisal Roll**

The appraisal records, as changed by order of the appraisal review board and approved by that board, constitute the appraisal roll for the district. The appraisal records, as changed by order of the commissioners court acting as a board of equalization and approved by it, constitute the appraisal roll for county tax purposes.

**Sec. 25.25. Correction of Appraisal Roll**

(a) Except as provided by Chapters 41 and 42 of this code and by this section, the appraisal roll may not be changed.

(b) The chief appraiser or the county assessor-collector, as applicable, may change the appraisal roll at any time to correct a name or address, a description of property, or a clerical error that does not affect the amount of tax liability.

(c) At any time, the commissioners court acting as a board of equalization or the appraisal review board, as applicable, on motion of the county assessor-collector or the chief appraiser, as applicable, or of a property owner may direct by written order changes in the appraisal roll to correct:

(1) clerical errors that affect a property owner's liability for a tax; or

(2) multiple appraisals of a property in a single tax year.

(d) The chief appraiser shall certify each change made as provided by this section to the assessor for each unit affected by the change within five days after the date the change is entered.

**CHAPTER 26. ASSESSMENT**

**Section**

- 26.01. Submission of Rolls to Taxing Units.
- 26.02. Assessment Ratios Prohibited.
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**Section 26.01. Submission of Rolls to Taxing Units**

(a) By June 25 or as soon thereafter as practicable, the chief appraiser shall prepare and certify to the assessor for each taxing unit participating in the district that part of the appraisal roll for the district that

lists the property taxable by the unit. The part certified to the assessor is the appraisal roll for the unit.

(b) When the chief appraiser submits appraisal rolls to the taxing units, he also shall certify to the county assessor-collector an appraisal roll for state tax purposes listing all property in the county. However, if the district is not appraising property in a part of the county as authorized by Subsection (d) of Section 6.02 of this code, the chief appraiser shall certify a roll showing all property the district is appraising in the county. The county assessor-collector shall combine the rolls certified to him for state tax purposes by more than one appraisal district.

(c) When a chief appraiser submits an appraisal roll for state taxes to a county assessor-collector, he also shall certify the roll to the State Property Tax Board. However, the State Property Tax Board by rule may provide for submission of only a summary of the appraisal roll. In that event, the chief appraiser shall certify the summary in the form and manner prescribed by the board's rule.

**Sec. 26.02. Assessment Ratios Prohibited**

Except as provided by Section 26.03 of this code, the assessment of property for taxation on the basis of a percentage of its appraised value is prohibited. All property shall be assessed on the basis of 100 percent of its appraised value.

**Sec. 26.03. State Assessment Ratio**

The assessment ratio for calculating taxes for state purposes is .0001 percent.

**Sec. 26.04. Submission of Roll to Governing Body**

(a) On receipt of the appraisal roll, the assessor for a taxing unit shall determine the total appraised value, the total assessed value, and the total taxable value of property taxable by the unit. He shall also determine, using information provided by the appraisal office, the appraised, assessed, and taxable value of property added to the appraisal roll since the preceding tax year by annexation of territory and the appraised, assessed, and taxable value of the improvements on the roll that were made after January 1 of the preceding tax year. The sum of the taxable value of annexed property and the taxable value of improvements made after January 1 of the preceding tax year is the taxable value of new property.

(b) The assessor shall submit the appraisal roll for the unit showing the total appraised, assessed, and taxable values of all property and the total taxable value of new property to the governing body of the unit by July 1 or as soon thereafter as practicable.

(c) An officer or employee designated by the governing body shall subtract from the total amount of property taxes imposed by the unit in the preceding year:

(1) the amount of taxes imposed in the preceding year to pay principal of and interest on bonds, warrants, certificates of obligation, or other lawfully authorized evidences of indebtedness issued or assumed by the unit and to pay lawfully incurred contractual obligations providing security for the payment of principal of and interest on bonds or other evidences of indebtedness issued on behalf of the unit by another political subdivision;

(2) the amount of taxes imposed in the preceding year on property in territory that has ceased to be a part of the unit;

(3) the amount of taxes imposed in the preceding year on taxable value that is exempt in the current year; and

(4) the amount of taxes imposed in the preceding year on taxable value that is not taxable in the current year because property appraised at market value in the preceding year is required by law to be appraised at less than market value in the current year.

(d) The designated officer or employee shall calculate the tax rate that if applied to the total taxable value submitted to the governing body less the taxable value of new property would impose the amount of property taxes determined as provided by Subsection (c) of this section. He shall add to that rate the amount that, if applied to the total taxable value submitted to the governing body, will impose the amount of taxes needed to pay the principal of and interest on bonds, warrants, certificates of obligation, or other lawfully authorized evidences of indebtedness issued or assumed by the unit and to pay lawfully incurred contractual obligations providing security for the payment of principal of and interest on bonds or other evidences of indebtedness issued on behalf of the unit by another political subdivision.

(e) By July 7 or as soon thereafter as practicable, the designated officer or employee shall publicize the tax rate calculated as provided by this section and the calculations used to determine it in a manner designed to come to the attention of all residents of the unit and shall submit the rate to the governing body of the unit.

(f) If as a result of consolidation of taxing units a taxing unit includes territory that was in two or more taxing units in the preceding year, the amount of taxes imposed in each in the preceding year is combined for purposes of calculating the tax rate under this section.

#### **Sec. 26.05. Tax Rate**

(a) By August 1 or as soon thereafter as practicable, the governing body of each taxing unit shall adopt a tax rate for the current tax year and shall notify the assessor for the unit of the rate adopted.

(b) A taxing unit may not impose property taxes in any year until the governing body has adopted a tax rate for that year, and the annual tax rate must be set by ordinance, resolution, or order, depending on the method prescribed by law for adoption of a law by the governing body. The vote on the ordinance, resolution, or order setting the tax rate must be separate from the vote adopting the budget.

(c) The governing body may not adopt a tax rate that exceeds the tax rate calculated as provided by Section 26.04 of this code until it has given notice of its intention to adopt a higher rate, has held a public hearing on the proposed increase, and has otherwise complied with Section 26.06 of this code.

#### **Sec. 26.06. Notice, Hearing, and Vote on Tax Increase**

(a) A public hearing required by Section 26.05 of this code may not be held before the seventh day after the date the notice of intent to increase the tax rate is given. The hearing must be on a weekday that is not a public holiday and must begin after 5 p. m. and before 9 p. m. The hearing must be held inside the boundaries of the unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. At the hearing, the governing body must afford adequate opportunity for proponents and opponents of the tax increase to present their views.

(b) The notice of a public hearing may not be smaller than one-quarter page of a standard-size or a tabloid-size newspaper, and the headline on the notice must be in 18-point or larger type. The notice must be in the following form:

**"NOTICE OF TAX INCREASE"**

"The (name of the taxing unit) proposes to increase your property taxes by (percentage of increase over the tax rate submitted pursuant to Section 26.04 of this code) percent.

"A public hearing on the increase will be held on (date and time) at (meeting place).

"(Names of all members of the governing body, showing how each voted on the proposal to raise taxes or, if one or more were absent, indicating the absences.)"

(c) The notice may be delivered by mail to each registered voter residing in the unit, or it may be published in a newspaper. If the notice is published in a newspaper, it may not be in the part of the paper in which legal notices and classified advertisements appear.

(d) At the public hearing the governing body shall announce the date, time, and place of the meeting at which it will vote on the proposed tax increase. After the hearing it shall give notice of the meeting in the form and manner provided by Subsection (b) of this section, except that the second paragraph of the notice must state:

"A public meeting to vote on the proposed increase will be held on (date and time) at (meeting place)."

(e) The meeting to vote on the increase may not be earlier than the third day or later than the 14th day after the date of the public hearing. The meeting must be held inside the boundaries of the unit in a publicly owned building or, if a suitable publicly owned building is not available, in a suitable building to which the public normally has access. If the governing body does not adopt an increased rate by the 14th day, it must give a new notice under Subsection (d) of this section before it may adopt a rate that exceeds the tax rate calculated as provided by Section 26.04 of this code.

**Sec. 26.07. Election to Repeal Increase**

(a) If the governing body of a taxing unit other than a school district adopts a tax rate that exceeds the rate calculated as provided by Section 26.04 of this code by more than five percent, the qualified voters of the taxing unit by petition may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to a rate that exceeds the rate calculated as provided by Section 26.04 of this code by only five percent.

(b) A petition is valid if:

(1) it states that it is intended to require an election in the taxing unit on the question of reducing the tax rate for the current year;

(2) it is signed by 15,000 qualified voters or by a number of qualified voters of the taxing unit equal to at least 15 percent of the number of qualified voters of the taxing unit according to the most recent official list of qualified voters, whichever number is less; and

(3) it is submitted to the governing body on or before the 60th day after the date on which the governing body adopted the tax rate for the current year.

(c) Not later than the 20th day after the day a petition is submitted, the governing body shall determine whether or not the petition is valid and pass a resolution stating its finding. If the governing body fails to act within the time allowed, the petition is treated as if it had been found valid.

(d) If the governing body finds that the petition is valid (or fails to act within the time allowed), it shall order that an election be held in the taxing unit on a date not less than 30 or more than 90 days after the last day on which it could have acted to approve or disapprove the petition. A state law requiring local elections to be held on a specified date does not apply to the election unless a specified date falls within the time permitted by this section. At the election, the ballots shall be prepared to permit voting for or against the proposition: "Reducing the tax rate in (name of taxing unit) for the current year from (the rate adopted) to (the rate that is only five percent greater than the rate calculated as provided by Section 26.04 of this code)."

(e) If a majority of the qualified voters voting on the question in the election favor the proposition and the number of qualified voters voting on the question in the election exceeds 25 percent of the qualified voters residing in the taxing unit, the tax rate for the taxing unit for the current year is the tax rate that is five percent greater than the rate calculated as provided by Section 26.04 of this code; otherwise, the tax rate for the current year is the one adopted by the governing body.

(f) If the tax rate is reduced by an election called under this section after tax bills for the unit are mailed, the assessor for the unit shall prepare and mail corrected tax bills. He shall include with the bill a brief explanation of the reason for and effect of the corrected bill. The date on which the taxes become delinquent for the year is extended by a number of days equal to the number of days between the date the first tax bills were sent and the date the corrected tax bills were sent.

(g) If a property owner pays taxes calculated using the higher tax rate when the rate is reduced by an election called under this section, the taxing unit shall refund the difference between the amount of taxes paid and the amount due under the reduced rate.

#### **Sec. 26.08. Election to Limit School Taxes**

(a) If the governing body of a school district adopts a rate that exceeds the rate calculated as provided by Section 26.04 of this code by more than five percent, the qualified voters of the district by petition may require that an election be held to determine whether or not to limit the tax rate the governing body may adopt for the following year. When increased expenditure of funds by a school district is necessary to respond to a disaster, such as a tornado, hurricane, flood, or other calamity (not including a drought) which has impacted a school district and the governor has requested federal disaster assistance for the area in which the school district is located, a petition is not valid under this section to repeal a tax increase adopted the next time the district adopts a tax rate after the date the disaster occurs.

(b) A petition is valid if:

(1) it states that it is intended to require an election in the school district on the question of limiting the tax rate for the following year;

(2) it is signed by 15,000 qualified voters or by a number of qualified voters of the school district equal to at least 15 percent of the number of qualified voters of the district according to the most recent official list of qualified voters, whichever number is less; and

(3) it is submitted to the governing body on or before the 60th day after the date on which the governing body adopted the tax rate for the current year.



(c) Not later than the 20th day after the day a petition is submitted, the governing body shall determine whether or not the petition is valid and pass a resolution stating its finding. If the governing body fails to act within the time allowed, the petition is treated as if it had been found valid.

(d) If the governing body finds that the petition is valid (or fails to act within the time allowed), it shall order that an election be held in the school district on a date not less than 30 or more than 90 days after the last day on which it could have acted to approve or disapprove the petition. A state law requiring local elections to be held on a specified date does not apply to the election unless a specified date falls within the time permitted by this section. At the election, the ballots shall be prepared to permit voting for or against the proposition: "Limiting the ad valorem tax rate in (name of school district) for (the following year)."

(e) If a majority of the qualified voters voting on the question in the election favor the proposition and the number of qualified voters voting on the question in the election exceeds 25 percent of the qualified voters residing in the taxing unit, the governing body may not adopt a tax rate in the following year that exceeds the rate calculated as provided by Section 26.04 of this code for that year by more than five percent, except that in making the calculation under Subsection (d) of Section 26.04 of this code, the assessor shall use the amount of taxes determined as provided by Subsection (c) of Section 26.04 of this code in the year in which the tax increase that initiated the referendum occurred rather than the year in which the calculation occurs.

#### **Sec. 26.09. Calculation of Tax**

(a) On receipt of notice of the tax rate for the current tax year, the assessor for a taxing unit other than a county shall calculate the tax imposed on each property included on the appraisal roll for the unit.

(b) The county assessor-collector shall add the properties and their values certified to him as provided by Chapter 24 of this code to the appraisal roll for state tax purposes as certified to him as provided by Subsection (b) of Section 26.01 of this code and to the appraisal roll for county tax purposes. The county assessor-collector shall use the appraisal roll certified to him as provided by Subsection (b) of Section 26.01 with the added properties and values to calculate state taxes and shall use the appraisal roll for county tax purposes, with the added properties and values, to calculate county taxes.

(c) The tax is calculated by:

(1) subtracting from the appraised value of a property as shown on the appraisal roll for the unit the amount of any partial exemption allowed the property owner that applies to appraised value to determine net appraised value;

(2) multiplying the net appraised value by the assessment ratio to determine assessed value;

(3) subtracting from the assessed value the amount of any partial exemption allowed the property owner to determine taxable value; and

(4) multiplying the taxable value by the tax rate.

(d) If a property is subject to taxation for a prior year in which it escaped taxation, the assessor shall calculate the tax for each year separately. In calculating the tax, he shall use the assessment ratio and tax rate in effect in the unit for the year for which back taxes are being imposed. To the amount of back taxes due, he shall add interest calculated

at the rate provided by Subsection (c) of Section 33.01 of this code from the date the tax would have become delinquent had the tax been imposed in the proper tax year.

(c) The assessor shall enter the amount of tax determined as provided by this section in the appraisal roll and submit it to the governing body of the unit for approval. The appraisal roll with amounts of tax entered as approved by the governing body constitutes the unit's tax roll.

**Sec. 26.10. Prorating Taxes—Loss of Exemption**

If the appraisal roll shows that a property is eligible for taxation for only part of a year because an exemption applicable on January 1 of that year terminated during the year, the tax due against the property is calculated by multiplying the tax due for the entire year as determined as provided by Section 26.09 of this code by a fraction, the denominator of which is 365 and the numerator of which is the number of days the exemption is not applicable.

**Sec. 26.11. Prorating Taxes—Acquisition by Government**

(a) If the federal government, the state, or a political subdivision of the state acquires the right to possession of taxable property under a court order issued in condemnation proceedings or acquires title to taxable property, the amount of the tax due on the property is calculated by multiplying the amount of taxes imposed on the property for the entire year as determined as provided by Section 26.09 of this code by a fraction, the denominator of which is 365 and the numerator of which is the number of days that elapsed prior to the date of the conveyance or the date of the order granting the right of possession.

(b) If the amount of taxes to be imposed on the property for the year of transfer has not been determined at the time of transfer, the assessor for each taxing unit in which the property is taxable may use the taxes imposed on the property for the preceding tax year as the basis for determining the amount of taxes to be imposed for the current tax year.

(c) If the amount of prorated taxes determined to be due as provided by this section is tendered to the collector for the unit, he shall accept the tender. The payment absolves the transferor of liability for taxes by the unit on the property for the year of the transfer.

**Sec. 26.12. Units Created During Tax Year**

(a) If a taxing unit is created after January 1, the chief appraiser shall prepare and deliver an appraisal roll for the unit as provided by Section 26.01 of this code as if the unit had existed on January 1.

(b) If the taxing unit created after January 1 imposes taxes for the year, it shall do so as provided by this chapter as if it had existed on January 1.

(c) If a taxing unit is created too late for observance of the deadlines required by this code, the chief appraiser shall submit the appraisal roll as provided by Section 26.01 of this code as soon as practicable. The assessor for the unit shall submit the appraisal roll to the governing body of the unit within five days after receipt from the appraisal office. The limitations imposed by Section 26.02 of this code do not apply to the unit in the year it is created. The governing body of the unit shall adopt an assessment ratio and a tax rate and notify the assessor as provided by Section 26.05 of this code within 20 days after receipt of the appraisal roll. The assessor shall calculate the taxes and prepare and mail tax bills not later than 60 days after the date the appraisal office submits the unit's appraisal roll.

**Sec. 26.13. Taxing Unit Consolidation During Tax Year**

(a) If two or more taxing units consolidate into a single taxing unit after January 1, the governing body of the consolidated unit may elect to impose taxes for the current tax year either as if the unit as consolidated had existed on January 1 or as if the consolidation had not occurred.

(b) The chief appraiser shall prepare and deliver an appraisal roll for the unit or units in accordance with the election made by the governing body.

(c) Whatever the election, the assessor and collector for the unit, as consolidated shall assess and collect taxes on property that is taxable by the unit as consolidated.

**Sec. 26.14. Annexation of Property During Tax Year**

(a) Except as provided by Subsection (b) of this section, a taxing unit may not impose a tax on property annexed by the unit after January 1

(b) If a taxing unit annexes territory during a tax year that was located in another taxing unit of like kind on January 1, each unit shall impose taxes on property located within its boundaries on the date the appraisal review board approves the appraisal roll for the district. The chief appraiser shall prepare and deliver an appraisal roll for each unit in accordance with the requirements of this subsection.

(c) For purposes of this section, "taxing units of like kind" are taxing units that are authorized by the laws by or pursuant to which they are created to perform essentially the same services.

**Sec. 26.15. Correction of Tax Roll**

(a) Except as provided by Chapters 41 and 42 of this code and in this section, the tax roll for a taxing unit may not be changed after it is completed.

(b) The assessor for a unit shall enter on the tax roll the changes made in the appraisal roll as provided by Section 25.25 of this code.

(c) At any time, the governing body of a taxing unit, on motion of the assessor for the unit or of a property owner, may direct by written order changes in the tax roll to correct errors in the mathematical computation of a tax. The assessor shall enter the corrections ordered by the governing body.

(d) Except as provided by Subsection (e) of this section, if a correction in the tax roll that changes the tax liability of a property owner is made after the tax bill is mailed, the assessor shall prepare and mail a corrected tax bill in the manner provided by Chapter 31 of this code for tax bills generally. He shall include with the bill a brief explanation of the reason for and effect of the corrected bill.

(e) If a correction that increases the tax liability of a property owner is made after the tax is paid, the assessor shall prepare and mail a supplemental tax bill in the manner provided by Chapter 31 of this code for tax bills generally. He shall include with the supplemental bill a brief explanation of the reason for and effect of the supplemental bill. The additional tax is due on receipt of the supplemental bill and becomes delinquent if not paid before the delinquency date prescribed by Chapter 31 of this code or before the first day of the next month after the date of the mailing that will provide at least 21 days for payment of the tax, whichever is later.

(f) If a correction decreases the tax liability of a property owner after he has paid the tax, the taxing unit shall refund to the property owner the difference between the tax paid and the tax legally due.

SUBTITLE E. COLLECTIONS AND DELINQUENCY

CHAPTER 31. COLLECTIONS

Section

- 31.01. Tax Bills.
- 31.02. Delinquency Date.
- 31.03. Split Payment of Taxes.
- 31.04. Postponement of Delinquency Date.
- 31.05. Discounts.
- 31.06. Medium of Payment.
- 31.07. Certain Payments Accepted.
- 31.08. Tax Certificate.
- 31.09. Reports and Remittances of State Taxes.
- 31.10. Reports and Remittances of Other Taxes.

Section 31.01. Tax Bills

(a) Except as provided by Subsection (f) of this section, the assessor for each taxing unit shall prepare and mail a tax bill to each person in whose name the property is listed on the tax roll or to his authorized agent. The assessor shall mail tax bills by October 1 or as soon thereafter as practicable.

(b) The county assessor-collector shall mail the tax bill for Permanent University Fund land to the comptroller. The comptroller shall pay all county tax bills on Permanent University Fund land with warrants drawn on the General Revenue Fund and mailed to the county assessors-collectors before February 1.

(c) The tax bill or a separate statement accompanying the tax bill shall:

- (1) identify the property subject to the tax;
- (2) state the appraised value, assessed value, and taxable value of the property;
- (3) if the property is land appraised as provided by Subchapter C, D, or E, Chapter 23 of this code, state the market value and the taxable value for purposes of deferred or additional taxation as provided by Section 23.46, 23.55, or 23.76, as applicable, of this code;
- (4) state the assessment ratio for the unit;
- (5) state the type and amount of any partial exemption applicable to the property, indicating whether it applies to appraised or assessed value;
- (6) state the total tax rate for the unit;
- (7) state the amount of tax due and the due date;
- (8) explain the payment options and discounts provided by Sections 31.03 and 31.05 of this code, if available to the unit's taxpayers;
- (9) state the rates of penalty and interest imposed for delinquent payment of the tax; and
- (10) include any other information required by the State Property Tax Board.

(d) The tax bill for the county shall also state the amount of penalty, if any, imposed pursuant to Section 22.27 of this code.

(e) An assessor may include taxes for more than one taxing unit in the same tax bill, but he shall include the information required by Subsection (c) of this section for the tax imposed by each unit included in the bill.

(f) The governing body of a taxing unit may provide in the manner required by law for official action by the body that a tax bill not be sent until the total amount of unpaid taxes the unit collects on the property is \$5 or more. Penalties and interest do not accrue during a period when a bill is not sent because of the provisions of this section.

(g) Except as provided by Subsection (f) of this section, failure to send or receive the tax bill required by this section does not affect the validity of the tax, penalty, or interest, the due date, the existence of a tax lien, or any procedure instituted to collect a tax.

#### **Sec. 31.02. Delinquency Date**

Except as provided by Sections 31.03 and 31.04 of this code, taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

#### **Sec. 31.03. Split Payment of Taxes**

(a) If a person pays one-half of state and county taxes before December 1, he may pay the remaining one-half of the taxes without penalty or interest at any time before July 1 of the following year.

(b) The governing body of a taxing unit, other than a county, that collects its own taxes may adopt, in the manner required by law for official action by the body, the split-payment option provided by Subsection (a) of this section. The split-payment option, if adopted, applies to taxes for all units for which the adopting taxing unit collects taxes.

#### **Sec. 31.04. Postponement of Delinquency Date**

(a) If tax bills are mailed after January 10, the delinquency date provided by Section 31.02 of this code is postponed to the first day of the next month that will provide a period of at least 21 days after the date of mailing for payment of taxes before delinquent.

(b) If the delinquency date is postponed as provided by this section, the assessor who mails the bills shall notify the governing body of each taxing unit whose taxes are included in the bills of the postponement. If the due date for state taxes is postponed, the county assessor-collector shall notify the State Property Tax Board of the postponement.

(c) A payment option provided by Section 31.03 of this code or a discount provided by Section 31.05 of this code does not apply to taxes that are calculated too late for it to be available.

#### **Sec. 31.05. Discounts**

(a) A person is entitled to a discount from the amount of state tax due if he pays the tax before January. The amount of discount is:

- (1) three percent if the tax is paid in October;
- (2) two percent if the tax is paid in November; and
- (3) one percent if the tax is paid in December.

(b) The governing body of a taxing unit that collects its own taxes may adopt the discounts provided by Subsection (a) of this section in the manner required by law for official action by the body. The discounts, if adopted, apply to taxes for all units for which the adopting taxing unit collects taxes.

#### **Sec. 31.06. Medium of Payment**

(a) Taxes are payable only in currency of the United States. However, a collector may accept a check or money order in payment of taxes.

(b) Acceptance by a collector of a check or money order constitutes payment of a tax as of the date of acceptance if the check or money order is duly paid or honored. If the check or money order is not duly paid or honored, the collector shall deliver written notice of nonpayment to the person who attempted payment by check or money order. Until payment

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is made in full by cash or by a check or money order that is duly paid or honored, the lien securing payment of the tax remains in effect, whether or not the person receives notice of nonpayment.

**Sec. 31.07. Certain Payments Accepted**

(a) A person may pay the tax imposed on any one property without simultaneously paying taxes imposed on other property he owns.

(b) A person may not pay the tax imposed on a property by the state or a taxing unit separate from taxes imposed on that property by the state or other taxing units using the same collector unless the tax is included in a separate bill.

**Sec. 31.08. Tax Certificate**

(a) At the request of any person, a collector for a taxing unit shall issue a certificate showing the amount of delinquent taxes, penalties, and interest due the unit on a property according to the unit's current tax records. The collector shall charge a fee of \$2 for each certificate issued. The collector shall pay all fees collected under this section into the treasury of the taxing unit that employs him.

(b) Except as provided by Subsection (c) of this section, if a person transfers property accompanied by a tax certificate erroneously showing that no delinquent taxes, penalties, or interest are due a taxing unit on the property, the unit's tax lien on the property is extinguished and the purchaser of the property is absolved of liability to the unit for delinquent taxes, penalties, or interest on the property. The person who was liable for the tax for the year it was imposed remains personally liable for the delinquent tax, penalties, and interest.

(c) A tax certificate issued through fraud or collusion is void.

**Sec. 31.09. Reports and Remittances of State Taxes**

(a) The State Property Tax Board shall adopt rules prescribing methods of accounting for and remitting state property taxes and shall prescribe and furnish forms for periodic reports.

(b) A county assessor-collector shall file with the State Property Tax Board at the times and in the manner required by the rules sworn reports accounting for all state property taxes, collected or delinquent, on the tax roll for state taxes.

(c) A county assessor-collector shall remit the state property taxes he collects at the times and in the manner required by the rules.

(d) The State Property Tax Board shall periodically examine the records of each county assessor-collector's office to verify the accuracy of reports accounting for state property taxes.

**Sec. 31.10. Reports and Remittances of Other Taxes**

(a) Each month the collector of taxes for a taxing unit shall prepare and submit to the governing body of the unit a written report made under oath accounting for all taxes collected for the unit during the preceding month. Reports of collections made in the months of October through January are due on the 25th day of the month following the month that is the subject of the report. Reports of collections made in all other months are due on the 15th day of the month following the month that is the subject of the report. A collector for more than one taxing unit may prepare one report accounting for taxes collected for all units, and he may submit a certified copy of the report as his monthly report to the governing body of each unit.

(b) The collector for a taxing unit shall prepare and submit to the governing body of the unit an annual report made under oath accounting for all taxes of the unit collected or delinquent on property taxed by the

unit during the preceding 12-month period. Annual reports are due August 1.

(c) At least monthly the collector for a taxing unit shall deposit in the unit's depository all taxes collected for the unit. The governing body of a unit may require deposits to be made more frequently.

## CHAPTER 32. TAX LIENS AND PERSONAL LIABILITY

### Section

#### 32.01. Tax Lien.

#### 32.02. Restrictions on a Mineral Interest Tax Lien.

#### 32.03. Restrictions on Personal Property Tax Lien.

#### 32.04. Priorities Among Tax Liens.

#### 32.05. Priority of Tax Liens Over Other Property Interests.

#### 32.06. Transfer of Tax Lien.

#### 32.07. Personal Liability for Tax.

### Section 32.01. Tax Lien

On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on that property, whether or not the taxes are imposed in the year the lien attaches. The lien exists in favor of the state and each taxing unit having power to tax the property.

### Sec. 32.02. Restrictions on a Mineral Interest Tax Lien

(a) If a mineral estate is severed from a surface estate and if different persons own the mineral estate and surface estate, the lien resulting from taxes imposed against each interest in the mineral estate exists only for the duration of the interest it encumbers. After an interest in the mineral estate terminates, the lien encumbering it expires and is not enforceable:

(1) against any part of the surface estate not owned by the owner of the interest encumbered by the lien;

(2) against any part of the mineral estate not owned by the owner of the interest encumbered by the lien; or

(3) against the owner of the surface estate as a personal obligation, unless he also owns the interest encumbered by the lien.

(b) Taxes imposed on a severed interest in a mineral estate that has terminated remain the personal liability of the person who owned the interest on January 1 of the year for which the tax was imposed.

### Sec. 32.03. Restrictions on Personal Property Tax Lien

A tax lien may not be enforced against personal property transferred to a bona fide purchaser for value who does not have actual notice of the existence of the lien.

### Sec. 32.04. Priorities Among Tax Liens

(a) Whether or not a tax lien provided by this chapter takes priority over a tax lien of the United States is determined by federal law. In the absence of federal law, a tax lien provided by this chapter takes priority over a tax lien of the United States.

(b) Tax liens provided by this chapter have equal priority.

### Sec. 32.05. Priority of Tax Liens Over Other Property Interests

(a) A tax lien on real property takes priority over a homestead interest in the property.

(b) Except as provided by Subsection (c) of this section, a tax lien provided by this chapter takes priority over the claim of any creditor of a person whose property is encumbered by the lien and over the claim of

any holder of a lien on property encumbered by the tax lien, whether or not the debt or lien existed before attachment of the tax lien.

(c) A tax lien provided by this chapter is inferior to claims for any survivor's allowance, funeral expenses, or expenses of the last illness of a decedent made against the estate of a decedent as provided by law.

**Sec. 32.06. Transfer of Tax Lien**

(a) A person may authorize another person to pay the taxes imposed by a taxing unit on his real property by filing with the collector for the unit a sworn document stating the authorization, naming the person authorized to pay the taxes, and describing the property.

(b) If a person authorized to pay another's taxes pursuant to Subsection (a) of this section pays the taxes and any penalties and interest imposed, the collector shall issue a tax receipt to the person paying the taxes. In addition, the collector shall certify on the sworn document that payment of the taxes and any penalties and interest on the described property has been made by a person other than the person liable for the taxes when imposed and that the taxing unit's tax lien is transferred to the person paying the taxes. The collector shall attach to the document his seal of office and deliver the document to the person paying the taxes. The collector shall keep a record of all tax liens transferred as provided by this section.

(c) Except as otherwise provided by this section, the transferee of a tax lien and any successor in interest is entitled to foreclose the lien in the manner provided by law for foreclosure of tax liens.

(d) To be enforceable, a tax lien transferred as provided by this section must be recorded in the deed records of each county in which the property encumbered by the lien is located.

(e) A person holding a tax lien transferred as provided by this section may not charge a greater rate of interest than 10 percent a year on the taxes, penalties, interest, and recording expenses paid to acquire and record the lien.

(f) The holder of a preexisting lien on property encumbered by a tax lien transferred as provided by this section is entitled, within six months after the date on which the tax lien is recorded in all counties in which the property is located, to pay the holder of the tax lien the amount paid for the lien, plus interest accrued and recording expenses, and become subrogated to all rights in the lien.

(g) A suit to foreclose a tax lien transferred as provided by this section may not be instituted within one year from the date on which the lien is recorded in all counties in which the property is located.

(h) After one year from the date on which a tax lien transferred as provided by this section is recorded in all counties in which the property is located, the holder of the lien may file suit to foreclose the lien unless a contract between the holder of the lien and the owner of the property encumbered by the lien provides otherwise. If the suit results in foreclosure of the lien, the person filing suit is entitled to recover attorney's fees in an amount not to exceed 10 percent of the judgment. The proceeds of a sale following foreclosure as provided by this subsection shall be applied first to the payment of court costs, then to payment of the judgment, including accrued interest, and then to the payment of any attorney's fees fixed in the judgment. Any remaining proceeds shall be paid to other holders of liens on the property in the order of their priority and then to the person whose property was sold at the tax sale.



(i) The person whose property is sold as provided by this section or any person holding a first lien against the property is entitled, within one year after the date the property is sold, to redeem the property from the purchaser at the tax sale by paying him the tax sale purchase price, plus costs and interest accrued on the judgment to the date of redemption or 110 percent of the amount of the judgment, whichever is less. If a person redeems the property as provided by this subsection, the purchaser at the tax sale shall deliver a deed to the property to the person redeeming the property. If the person who owned the property at the time of foreclosure redeems the property, all liens existing on the property at the time of the tax sale remain in effect to the extent not paid from the sale proceeds.

(j) This section does not abridge the right of an owner of real property to enter into a contract for the payment of taxes with the holder of a lien on the property or affect a contract between the owner and holder of a lien for the payment of taxes on the property.

**Sec. 32.07. Personal Liability for Tax**

(a) Except as provided by Subsection (b) of this section, property taxes are the personal obligation of the person who owns or acquires the property on January 1 of the year for which the tax is imposed. A person is not relieved of the obligation because he no longer owns the property.

(b) The person in whose name a property is required to be listed by Section 25.13 or 25.15 of this code is personally liable for the taxes imposed on the property.

**CHAPTER 33. DELINQUENCY**

**SUBCHAPTER A. GENERAL PROVISIONS**

**Section**

- 33.01. Penalties and Interest.
- 33.02. Installment Payment of Delinquent Taxes.
- 33.03. Delinquent Tax Roll.
- 33.04. Notice of Delinquency.
- 33.05. Limitation on Collection of Taxes.
- 33.06. Deferred Collection of Certain Taxes.

[Sections 33.07–33.20 reserved for expansion]

**SUBCHAPTER B. SEIZURE OF PERSONAL PROPERTY**

- 33.21. Property Subject to Seizure.
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- 33.47. Tax Records as Evidence.
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- 33.54. Limitation on Actions Relating to Property Sold for Taxes.

**SUBCHAPTER A. GENERAL PROVISIONS**

**Section 33.01. Penalties and Interest**

(a) A delinquent tax incurs a penalty of four percent of the amount of the tax for the first calendar month it is delinquent plus one percent for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. However, a tax delinquent on July 1 incurs a total penalty of eight percent of the amount of the delinquent tax without regard to the number of months the tax has been delinquent.

(b) If a person who exercises the split-payment option provided by Section 31.03 of this code fails to make the second payment before July 1, the second payment is delinquent and incurs a penalty of eight percent of the amount of unpaid tax.

(c) A delinquent tax accrues interest at a rate of three-fourths of one percent for each month or portion of a month the tax remains unpaid.

**Sec. 33.02. Installment Payment of Delinquent Taxes**

(a) The collector for a taxing unit that collects its own taxes may enter an agreement with a person delinquent in the payment of the tax for payment of the tax, penalties, and interest in installments. The agreement must be in writing and may not extend for a period of more than 36 months.

(b) Interest accrues as provided by Subsection (c) of Section 33.01 of this code on the unpaid balance during the period of the agreement.

(c) A property owner's execution of an installment agreement under this section is an irrevocable admission of liability for all taxes, penalties, and interest that are subject to the agreement.

(d) Property may not be seized and sold and a suit may not be filed to collect a delinquent tax subject to an installment agreement unless the property owner:

(1) fails to make a payment as required by the agreement;

(2) fails to pay other property taxes collected by the unit when due as required by the collector; or

(3) breaches any other condition of the agreement.

(e) Execution of an installment agreement tolls the limitation periods provided by Section 33.05 of this code for the period during which enforced collection is barred by Subsection (d) of this section.

**Sec. 33.03. Delinquent Tax Roll**

Each year the collector for each taxing unit shall prepare a current and a cumulative delinquent tax roll for the unit.

**Sec. 33.04. Notice of Delinquency**

(a) At least once each year the collector for a taxing unit shall deliver a notice of delinquency to each person whose name appears on the current delinquent tax roll. However, the notice need not be delivered if a

bill for the tax was not mailed pursuant to the authorization provided by Subsection (f) of Section 31.01 of this code.

(b) In addition to the notice required by Subsection (a) of this section, the tax collector for each taxing unit in each year divisible by five shall deliver a written notice of delinquency to each person who owes a tax that has been delinquent more than one year. He shall state in the notice the amount of the delinquent tax, penalties, and interest due, the description of the property on which the tax was imposed, and the year for which the tax is delinquent. If the person owes delinquent taxes for more than one year or on more than one property, the collector may include all the delinquent taxes the person owes in a single notice.

(c) The collector shall deliver the notice required by Subsection (b) of this section by certified mail, return receipt requested, if the collector knows or by exercising reasonable diligence can determine the delinquent taxpayer's name and mailing address. However, if the collector cannot determine the delinquent taxpayer's name or mailing address by exercising reasonable diligence, he may deliver the notice by publishing it in a newspaper.

(d) Penalties and interest on a tax delinquent more than five years or a multiple of five years are cancelled and may not be collected if the collector has not delivered the notice required by Subsection (b) of this section in each year that is divisible by five following the date on which the tax first became delinquent for one year.

#### **Sec. 33.05. Limitation on Collection of Taxes**

(a) Personal property may not be seized and a suit may not be filed:

(1) to collect a tax on personal property that has been delinquent more than four years; or

(2) to collect a tax on real property that has been delinquent more than 20 years.

(b) A tax delinquent for more than the limitation period prescribed by this section and any penalty and interest on the tax is presumed paid unless a suit to collect the tax is pending.

#### **Sec. 33.06. Deferred Collection of Certain Taxes**

(a) An individual is entitled to defer or abate a suit to collect a delinquent tax if he is 65 or older and he owns and occupies as a residence homestead the property on which the tax subject to the suit is delinquent.

(b) To obtain a deferral, an individual must file with the chief appraiser for the appraisal district in which the property is located an affidavit stating the facts required to be established by Subsection (a) of this section. The chief appraiser shall notify the county and each taxing unit participating in the district of the filing. After an affidavit is filed under this subsection, a taxing unit may not file suit to collect delinquent taxes on the property until the individual no longer owns and occupies the property as a residence homestead.

(c) To obtain an abatement, the individual must file in the court in which suit is pending an affidavit stating the facts required to be established by Subsection (a) of this section. If no controverting affidavit is filed by the taxing unit filing suit or if, after a hearing, the court finds the individual is entitled to the deferral, the court shall abate the suit until the individual no longer owns and occupies the property as a residence homestead.

(d) A tax lien remains on the property and penalties and interest continue to accrue during the period collection of taxes is deferred as provided by this section. A plea of limitation, laches, or want of prosecution

does not apply against the taxing unit because of deferral of collection as provided by this section.

(e) Each year the chief appraiser for each appraisal district and each county assessor-collector shall publicize in a manner reasonably designed to notify all residents of the district or county the provisions of this section and, specifically, the method by which eligible persons may obtain a deferral.

[Sections 33.07–33.20 reserved for expansion]

## **SUBCHAPTER B. SEIZURE OF PERSONAL PROPERTY**

### **Sec. 33.21. Property Subject to Seizure**

(a) A person's personal property is subject to seizure for the payment of a delinquent tax, penalty, and interest he owes the state or a taxing unit on property.

(b) A person's personal property is subject to seizure for the payment of a tax imposed by the state or a taxing unit on his property before the tax becomes delinquent if:

(1) the collector discovers that property on which the tax has been or will be imposed is about to be removed from the county; and

(2) the collector knows of no other personal property in the county from which the tax may be satisfied.

(c) Current wages in the possession of an employer are not subject to seizure.

### **Sec. 33.22. Institution of Seizure**

(a) At any time after a tax becomes delinquent, a collector may apply for a tax warrant to any court in any county in which the person liable for the tax has personal property. If more than one collector participates in the seizure, all may make a joint application.

(b) A collector may apply at any time for a tax warrant authorizing seizure of property as provided by Subsection (b) of Section 33.21 of this code.

(c) The court shall issue the tax warrant if the applicant shows by affidavit that:

(1) the person whose property he intends to seize is delinquent in the payment of taxes, penalties, and interest in the amount stated in the application; or

(2) the applicant has reason to believe the property owner is about to remove from the county personal property on which a tax has been or will be imposed, the applicant knows of no other personal property the person owns in the county from which the tax may be satisfied, and taxes in a stated amount have been imposed on the property or taxes in an estimated amount will be imposed on the property.

### **Sec. 33.23. Tax Warrant**

(a) A tax warrant shall direct a peace officer in the county and the collector to seize as much of the person's personal property as may be reasonably necessary for the payment of all taxes, penalties, and interest included in the application and all costs of seizure and sale. The warrant shall direct the person whose property is seized to disclose to the officer executing the warrant the name and the address if known of any other person having an interest in the property.

(b) A bond may not be required of the state or a taxing unit for issuance or delivery of a tax warrant, and a fee or court cost may not be charged for issuance or delivery of a warrant.

(c) After a tax warrant is issued, the collector shall take possession of the property pending its sale. The person against whom a tax warrant is issued or another person having possession of property of the person against whom a tax warrant is issued shall surrender the property on demand.

**Sec. 33.24. Bond for Payment of Taxes**

A person may prevent seizure of property or sale of property seized by delivering to the collector a cash or surety bond conditioned on payment of the tax before delinquency. The bond must be approved by the collector in an amount determined by him, but he may not require an amount greater than the amount of tax if imposed or the collector's reasonable estimate of the amount of tax if not yet imposed.

**Sec. 33.25. Notice of Tax Sale**

(a) After a seizure of personal property, the collector shall make a reasonable inquiry to determine the identity and address of any person having an interest in the property other than the person against whom the tax warrant is issued. He shall deliver as soon as possible a written notice stating the time and place of the sale and briefly describing the property seized to the person against whom the warrant is issued and to any other person he discovers has an interest in the property whose address he ascertains.

(b) Failure to send or receive the notice provided by this section does not affect the validity of the sale or title to the seized property.

[ Sections 33.26–33.40 reserved for expansion ]

**SUBCHAPTER C. DELINQUENT TAX SUITS**

**Sec. 33.41. Suit to Collect Delinquent Tax**

(a) At any time after its tax on property becomes delinquent, a taxing unit may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. The suit must be in a court of competent jurisdiction for the county in which the tax was imposed.

(b) A suit to collect a delinquent tax takes precedence over all other suits pending in trial and appellate courts.

**Sec. 33.42. Taxes Included in Foreclosure Suit**

(a) In a suit to foreclose a lien securing payment of its tax on real property, a taxing unit shall include all delinquent taxes due the unit on the property.

(b) If a taxing unit's tax on real property becomes delinquent after the unit files suit to foreclose a tax lien on the property but before entry of judgment, the court shall include the amount of the tax and any penalty and interest in its judgment.

(c) If a tax required by this section to be included in a suit is omitted from the judgment in the suit, the taxing unit may not enforce collection of the tax at a later time.

**Sec. 33.43. Petition**

(a) A petition initiating a suit to collect a delinquent property tax is sufficient if it alleges that:

(1) the taxing unit is legally constituted and authorized to impose and collect ad valorem taxes on property;

(2) tax in a stated amount was legally imposed on each separately described property for each year specified and on each person named if known who owned the property on January 1 of the year for which the tax was imposed;

- (3) the tax was imposed in the county in which the suit is filed;
  - (4) the tax is delinquent;
  - (5) penalties, interest, and costs authorized by law in a stated amount for each separately assessed property are due;
  - (6) the person sued owned the property on January 1 of the year for which the tax was imposed if the suit seeks to enforce personal liability;
  - (7) the person sued owns the property when the suit is filed if the suit seeks to foreclose a tax lien;
  - (8) the taxing unit asserts a lien on each separately described property to secure the payment of all taxes, penalties, interest, and costs due if the suit seeks to foreclose a tax lien;
  - (9) all things required by law to be done have been done properly by the appropriate officials; and
  - (10) the attorney signing the petition is legally authorized to prosecute the suit on behalf of the taxing unit.
- (b) If the petition alleges that the person sued owns the property on which the taxing unit asserts a lien, the prayer in the petition shall be for foreclosure of the lien and payment of all taxes, penalties, interest, and costs that are due or will become due and that are secured by the lien. If the petition alleges that the person sued owned the property on January 1 of the year for which the taxes were imposed, the prayer shall be for personal judgment for all taxes, penalties, interest, and costs that are due or will become due on the property. If the petition contains the appropriate allegations, the prayer may be for both foreclosure of a lien on the property and personal judgment.
- (c) If the suit is for personal judgment against the person who owned personal property on January 1 of the year for which the tax was imposed on the property, the personal property may be described generally.
- (d) The petition need not be verified.
- (e) The State Property Tax Board shall prepare forms for petitions initiating suits to collect delinquent taxes. An attorney representing a taxing unit may use the forms or develop his own form.

**Sec. 33.44. Joinder of Other Taxing Units**

- (a) A taxing unit filing suit to foreclose a tax lien on real property shall join other taxing units that have claims for delinquent taxes against all or part of the same property.
- (b) For purposes of joining the state and a county, citation may be served on the county tax assessor-collector. For purposes of joining any other taxing unit, citation may be served on the officer charged with collecting taxes for the unit or on the presiding officer or secretary of the governing body of the unit. Citation may be served by certified mail, return receipt requested. A person on whom service is authorized by this subsection may waive the issuance and service of citation in behalf of his taxing unit.
- (c) A taxing unit joined in a suit as provided by this section must file its claim for delinquent taxes against the property or its lien on the property is extinguished. The court's judgment in the suit shall reflect the extinguishment of a lien under this subsection.

**Sec. 33.45. Pleading and Answering to Claims Filed**

A party to the suit must take notice of and plead and answer to all claims and pleadings filed by other parties that have been joined or have intervened, and each citation must so state.

**Sec. 33.46. Partition of Real Property**

(a) If suit is filed to foreclose a tax lien on real property owned in undivided interests by two or more persons, one or more of the owners may have the property partitioned in the manner prescribed by law for the partition of real property in district court.

(b) The court shall apportion the taxes, penalties, interest, and costs sued for to the owners of the property in proportion to the interest of each. If an owner pays the taxes, penalties, interest, and costs apportioned to him, the property partitioned to him is free from further claim or lien for the taxes involved in the suit. If an owner refuses to pay the amount apportioned to him, the suit shall proceed against him for that amount.

(c) The court shall allow reasonable attorney's fees and costs of partitioning for each property partitioned. The fee shall be taxed as costs against each owner in proportion to his interest and constitutes a lien against the property until paid.

**Sec. 33.47. Tax Records as Evidence**

(a) In a suit to collect a delinquent tax, the taxing unit's current tax roll and delinquent tax roll or certified copies of the entries showing the property and the amount of the tax imposed constitute prima facie evidence that each person charged with a duty relating to the imposition of the tax has complied with all requirements of law and that the amount of tax alleged to be delinquent against the property listed is the correct amount.

(b) If the description of a property in the tax roll or delinquent tax roll is insufficient to identify the property, the records of the appraisal office are admissible to identify the property.

**Sec. 33.48. Recovery of Costs and Expenses**

(a) In addition to other costs authorized by law, a taxing unit is entitled to recover the following costs and expenses in a suit to collect a delinquent tax:

- (1) all usual court costs, including the cost of serving process;
- (2) expenses of foreclosure sale;
- (3) reasonable expenses approved by the court that are incurred by the taxing unit in determining the name, identity, and location of necessary parties and in procuring necessary legal descriptions of the property on which a delinquent tax is due; and
- (4) reasonable attorney's fees approved by the court and not exceeding 15 percent of the total amount of taxes, penalties, and interest adjudged due the unit.

(b) Each item specified by Subsection (a) of this section is a charge against the property subject to foreclosure in the suit and shall be collected out of the proceeds of the sale of the property or, if the suit is for personal judgment, charged against the defendant.

(c) Fees collected for attorneys and other officials are fees of office, except that fees for contract attorneys representing a taxing unit that is joined or intervenes shall be applied toward the compensation due the attorney under the contract.

**Sec. 33.49. Liability of Taxing Unit for Costs**

(a) Except as provided by Subsection (b) of this section, a taxing unit is not liable in a suit to collect taxes for court costs, including any fees for service of process, and may not be required to post security for the costs.

(b) A taxing unit shall pay the cost of publishing citations, notices of sale, or other notices from the unit's general fund as soon as practicable after receipt of the publisher's claim for payment. The taxing unit is en-

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titled to reimbursement from other taxing units that are parties to the suit for their proportionate share of the publication costs on satisfaction of any portion of the tax indebtedness before further distribution of the proceeds. A taxing unit may not pay a word or line rate for publication of citation or other required notice that exceeds the rate the newspaper publishing the notice charges private entities for similar classes of advertising.

**Sec. 33.50. Adjudged Value**

(a) In a suit for foreclosure of a tax lien on property, the court shall determine the market value of the property on the date of trial. The appraised value of the property according to the most recent appraisal roll approved by the appraisal review board is presumed to be its market value on the date of trial, and the person being sued has the burden of establishing that the market value of the property differs from that appraised value. The court shall incorporate a finding of the market value of the property on the date of trial in the judgment.

(b) If the judgment in a suit to collect a delinquent tax is for the foreclosure of a tax lien on property, the order of sale shall specify that the property may not be sold to a person owning an interest in the property or to any party to the suit, other than a taxing unit, for less than the market value of the property stated in the judgment or the aggregate amount of the judgments against the property, whichever is less.

**Sec. 33.51. Writ of Possession**

If the court orders the foreclosure of a tax lien and the sale of real property, the judgment shall provide for the issuance of a writ of possession to the purchaser at the sale or his assigns within 20 days after the period of redemption expires.

**Sec. 33.52. Judgment for Current Taxes**

(a) If the court orders the foreclosure of a tax lien and the sale of real property, the judgment shall order that the taxing unit recover from the proceeds of the sale the amount of tax on the property for the current tax year prorated to the day of judgment.

(b) If the amount of tax for the current tax year has not been determined on the date of judgment, the court shall order recovery of the amount of tax imposed on the property for the preceding tax year, prorated to the date of judgment.

**Sec. 33.53. Order of Sale**

If judgment in a suit to collect a delinquent tax is for foreclosure of a tax lien, the court shall order the property sold in satisfaction of the amount of the judgment.

**Sec. 33.54. Limitation on Actions Relating to Property Sold for Taxes**

(a) Except as provided by Subsection (b) of this section, a cause of action relating to the title to property may not be maintained against the purchaser of the property at a tax sale unless the action commences within three years after the deed executed to the purchaser at the tax sale is filed of record.

(b) If a person other than the purchaser at the tax sale or his successor in interest pays taxes on the property during the three years following the date the deed is filed and that person was not served citation in the suit to foreclose the tax lien, the three-year limitations period does not apply to that person.

(c) When actions are barred by this section, the purchaser at the tax sale or his successor in interest shall be held to have full title to the property, precluding all other claims.



**CHAPTER 34. TAX SALES AND REDEMPTION****SUBCHAPTER A. TAX SALES****Section**

- 34.01. Sale of Property.
- 34.02. Distribution of Proceeds.
- 34.03. Disposition of Excess Proceeds.
- 34.04. Claims for Excess Proceeds.
- 34.05. Resale by Taxing Unit.
- 34.06. Distribution of Proceeds of Resale.
- 34.07. Subrogation of Purchaser at Void Sale.
- 34.08. State a Taxing Unit.

[Sections 34.09–34.20 reserved for expansion]

**SUBCHAPTER B. REDEMPTION**

- 34.21. Right of Redemption.
- 34.22. Evidence of Title to Redeem Real Property.
- 34.23. Distribution of Redemption Proceeds.

**SUBCHAPTER A. TAX SALES****Section 34.01. Sale of Property**

(a) Property seized or ordered sold pursuant to foreclosure of a tax lien shall be sold in the manner similar property is sold under execution except as otherwise provided by this subchapter.

(b) The owner of real property subject to sale may file with the officer charged with the sale a written request that the property be divided and that only as many portions be sold as is necessary to pay the tax, penalties, interest, and costs adjudged due against the property. In the request the owner shall describe the desired portions and shall specify the order in which the portions should be sold.

(c) If a sufficient bid is not received, the officer making the sale shall bid the property off to a taxing unit that is a party to the judgment for the aggregate amount of the judgment against the property or for the market value of the property as specified in the judgment, whichever is less. The taxing unit takes title to the property for the use and benefit of itself and all other taxing units that established tax liens in the suit. Payments in satisfaction of the judgment and any costs or expenses may not be required until the property is redeemed or resold by the purchasing taxing unit.

(d) The officer making the sale shall prepare a deed to the purchaser of real property at the sale or to any other person whom the purchaser may specify. The deed vests good and perfect title in the purchaser or his assigns to the interest owned by the defendant in the property subject to the foreclosure, subject to the defendant's right of redemption. The deed may be impeached only for fraud.

**Sec. 34.02. Distribution of Proceeds**

(a) The proceeds of a tax sale shall be applied first to the payment of costs. The remainder shall be distributed to all taxing units participating in the sale in satisfaction of the taxes, penalties, and interest due each.

(b) If the proceeds are not sufficient to pay the costs and taxes, penalties, and interest due all participants in the sale, each participant is en-

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titled to a share of the proceeds after payment of costs in an amount equal to the proportion its taxes, penalties, and interest bear to the total amount of taxes, penalties, and interest due all participants in the sale.

(c) If the sale is pursuant to foreclosure of a tax lien, the officer conducting the sale shall pay any excess proceeds after payment of all costs and of all taxes, penalties, and interest due all participants in the sale to the clerk of the court issuing the order of sale.

(d) If the sale is pursuant to seizure of personal property, the officer conducting the sale shall distribute any excess of proceeds as provided by law for excess proceeds in the case of execution.

**Sec. 34.03. Disposition of Excess Proceeds**

(a) The clerk of the court shall keep the excess proceeds paid into court as provided by Subsection (c) of Section 34.02 of this code for a period of seven years after the date of the sale unless otherwise ordered by the court.

(b) If no claimant establishes entitlement to the proceeds within seven years, the clerk shall transmit the proceeds to the State Treasurer along with a statement on a form prescribed by the comptroller showing the style and number of the case and the court from which execution issued. The treasurer shall pay the proceeds into the General Revenue Fund. A copy of each statement shall be sent to the comptroller, who shall keep an account of the excess proceeds transmitted to the treasurer.

(c) The clerk shall note on the execution docket in each case the amount of the excess proceeds, the date they were received, and the date they were transmitted to the State Treasurer.

**Sec. 34.04. Claims for Excess Proceeds**

(a) A person may file a petition in the court that ordered the sale setting forth a claim to the excess proceeds within seven years from the date of the sale of the property.

(b) A copy of the petition shall be served on the county attorney or, if there is no county attorney, the district attorney and on all parties to the suit that ordered the sale, if any, not later than the 20th day before the date set for a hearing on the petition. The county attorney or district attorney shall represent the state at the hearing.

(c) At the hearing if the court finds that the claimant is entitled to recover the excess proceeds, it shall order that the proceeds be paid to him. Interest or costs may not be allowed.

(d) A claim for the excess proceeds may not be filed after the expiration of seven years from the date the property is sold.

**Sec. 34.05. Resale by Taxing Unit**

(a) If property is sold to a taxing unit that is a party to the judgment, the taxing unit may sell the property at any time, subject to any right of redemption existing at the time of the sale. If property is sold to the state, the commissioners court of the county in which the property is located may act for the state.

(b) Unless the property is sold pursuant to Subsections (c) and (d) of this section, it may not be sold for less than the market value specified in the judgment of foreclosure or the total amount of the judgments against the property, whichever is less, without the consent of each taxing unit entitled to receive proceeds of the sale under the judgment. Joinder of the taxing units in the conveyance of the property constitutes consent. The collector for the county in which the property is located may consent in behalf of the state. The presiding officer of the governing body of a taxing unit may consent in behalf of the taxing unit.

(c) The taxing unit purchasing the property by resolution of its governing body may request the sheriff to sell the property at a public sale. If the purchasing taxing unit has not sold the property within six months after the date on which the owner's right of redemption terminates, any taxing unit that is entitled to receive proceeds of the sale by resolution of its governing body may request the sheriff in writing to sell the property at a public sale. On receipt of a request made under this subsection, the sheriff shall sell the property as provided by Subsection (d) of this section.

(d) Except as provided by this subsection, all public sales requested as provided by Subsection (c) of this section shall be conducted in the manner prescribed by the Rules of Civil Procedure for the sale of property under execution. The notice of the sale must contain a description of the property to be sold, which must be a legal description in the case of real property, the number and style of the suit under which the property was sold at the tax foreclosure sale, and the date of the tax foreclosure sale. The officer conducting the sale shall reject any bid for the property if it is his judgment that the amount bid is insufficient. If all bids are insufficient, the property shall be readvertised and offered for sale again. The acceptance of a bid by the officer conducting the sale is conclusive and binding on the question of its sufficiency. An action to set aside the sale on the grounds that the bid is insufficient may not be sustained in court, except that a taxing unit that participates in distribution of proceeds of the sale may file an action within one year after the date of the sale to set aside the sale on the grounds of fraud or collusion between the officer making the sale and the purchaser.

(e) The presiding officer of a taxing unit or the sheriff selling real property pursuant to this section shall execute a deed to the property conveying to the purchaser the right, title, and interest acquired or held by each taxing unit that was a party to the judgment foreclosing tax liens on the property. The conveyance shall be made subject to any remaining right of redemption at the time of the sale.

(f) An action attacking the validity of a resale of property pursuant to this section may not be instituted after the expiration of one year after the date of the resale.

**Sec. 34.03. Distribution of Proceeds of Resale**

(a) The proceeds of a resale of property purchased by a taxing unit at a tax foreclosure sale shall be paid to the purchasing taxing unit.

(b) The purchasing taxing unit shall pay all costs and expenses of court and sale and shall distribute the remainder of the proceeds as provided by Section 34.02 of this code for distribution of proceeds after payment of costs.

**Sec. 34.07. Subrogation of Purchaser at Void Sale**

(a) The purchaser at a void or defective tax sale is subrogated to the rights of the taxing unit in whose behalf the property was sold to the same extent a purchaser at a void or defective sale conducted in behalf of a judgment creditor is subrogated to the rights of the judgment creditor.

(b) Except as provided by Subsection (c) of this section, the purchaser at a void or defective tax sale is subrogated to the tax lien of the taxing unit in whose behalf the property was sold to the same extent a purchaser at a void or defective mortgage or other lien foreclosure sale is subrogated to the lien of the lienholder, and the purchaser is entitled to a reforeclosure of the lien to which he is subrogated.

(c) If the purchaser at a void or defective tax sale paid less than the total amount of the judgment against the property, he is subrogated to the tax lien only in the amount he paid at the sale.

(d) In lieu of pursuing the rights to which he is subrogated, a purchaser at a void tax sale may elect to file an action against the taxing units to which the proceeds of the sale were distributed to recover the amount paid at the sale. A purchaser who files a suit authorized by this subsection waives all rights to which he would otherwise be subrogated.

**Sec. 34.08. State a Taxing Unit**

For the purposes of this chapter, the state is a taxing unit.

[Sections 34.09–34.20 reserved for expansion]

**SUBCHAPTER B. REDEMPTION**

**Sec. 34.21. Right of Redemption**

(a) The owner of real property sold at a tax sale may redeem the property within two years after the date on which the purchaser's deed is filed for record by paying the purchaser the amount he bid for the property, the amount of the deed recording fee, and the amount paid by the purchaser as taxes, penalties, interest, and costs on the property, plus 25 percent of the aggregate total if the property is redeemed during the first year of the redemption period or 50 percent of the aggregate total if the property is redeemed during the second year of the redemption period.

(b) If the owner of the property makes an affidavit that he has made diligent search in the county in which the property is located for the purchaser at the tax sale and has failed to find him, that the purchaser at the sale is not a resident of the county in which the property is located, that he and the purchaser cannot agree on the amount of redemption money due, or that the purchaser refuses to give him a quitclaim deed to the property, the owner may redeem the land by paying the required amount to the assessor-collector for the county in which the property is located. The assessor-collector receiving the payment shall give the owner a signed receipt witnessed by two persons. The receipt, when recorded, is notice to all persons that the property described has been redeemed. The assessor-collector shall on demand pay the money received by him to the purchaser at the tax sale.

**Sec. 34.22. Evidence of Title to Redeem Real Property**

(a) A person asserting ownership of real property sold for taxes is entitled to redeem the property if he had title to the property or he was in possession of the property in person or by tenant either at the time suit to foreclose the tax lien on the property was instituted or at the time the property was sold. A defect in the chain of title to the property does not defeat an offer to redeem.

(b) A person who establishes title to real property that is superior to the title of one who has previously redeemed the property is entitled to redeem the property during the redemption period by paying the amounts provided by law to the person who previously redeemed the property.

**Sec. 34.23. Distribution of Redemption Proceeds**

(a) If the owner of property sold for taxes to a taxing unit redeems the property before the property is resold, the taxing unit shall distribute the redemption proceeds in the manner that proceeds of the resale of property are distributed.

(b) If the owner of property sold for taxes redeems the property from the taxing unit after the property has been resold, the taxing unit shall

pay the purchaser at the resale the amount he paid for the property, plus 25 percent of that amount if the redemption occurs within one year after the date the property is resold or 50 percent of that amount if the redemption occurs more than one year after the date the property is resold. The taxing unit shall distribute the redemption proceeds remaining after payment of the amount due the purchaser at resale to the taxing units adjudged to have tax liens against the property in the proportion the amount of each unit's lien bears to the total amount of all liens established in the foreclosure suit.

**SUBTITLE F. REMEDIES**

**CHAPTER 41. LOCAL REVIEW**

**SUBCHAPTER A. REVIEW OF APPRAISAL RECORDS BY APPRAISAL REVIEW BOARD**

**Section**

- 41.01. Scope of Review.
- 41.02. Action by Board.
- 41.03. Challenge by Taxing Unit.
- 41.04. Challenge Petition.
- 41.05. Hearing on Challenge.
- 41.06. Notice of Challenge Hearing.
- 41.07. Determination of Challenge.
- 41.08. Correction of Records on Order of Board.
- 41.09. Clerical Errors.
- 41.10. Correction of Records on Recommendation of Chief Appraiser.
- 41.11. Notice to Property Owner of Change in Records.
- 41.12. Completion of Review by Board.

[Sections 41.13–41.20 reserved for expansion]

**SUBCHAPTER B. EQUALIZATION BY COMMISSIONERS COURT**

- 41.21. Scope of Review.
- 41.22. Action by Commissioners Court.
- 41.23. Correction of Records on Order of Commissioners Court.
- 41.24. Clerical Errors.
- 41.25. Correction of Records on Recommendation of Assessor-Collector.
- 41.26. Notice to Property Owner of Change in Records.
- 41.27. Completion of Review by Commissioners Court.

[Sections 41.28–41.40 reserved for expansion]

**SUBCHAPTER C. TAXPAYER PROTEST**

- 41.41. Right of Protest.
- 41.42. Protest of Situs.
- 41.43. Protest of Inequality of Appraisal.
- 41.44. Protest Petition.
- 41.45. Hearing on Protest.
- 41.46. Notice of Protest Hearing.
- 41.47. Determination of Protest.

[Sections 41.48–41.60 reserved for expansion]

**SUBCHAPTER D. ADMINISTRATIVE PROVISIONS**

**Section**

- 41.61. Issuance of Subpoena.**
- 41.62. Service and Enforcement of Subpoena.**
- 41.63. Compensation for Subpoenaed Witness.**
- 41.64. Inspection of Tax Records.**
- 41.65. Request for State Assistance.**
- 41.66. Hearing Procedures.**
- 41.67. Evidence.**
- 41.68. Record of Proceeding.**
- 41.69. Conflict of Interest.**

**SUBCHAPTER A. REVIEW OF APPRAISAL RECORDS BY APPRAISAL REVIEW BOARD**

**Section 41.01. Scope of Review**

The appraisal review board may examine the appraisal records for the appraisal district to determine whether:

- (1) appraisals are substantially uniform in terms of their relationship to the appraised value required by law;
- (2) an exemption or a partial exemption is improperly granted;
- (3) land is improperly granted appraisal as provided by Subchapter C, D, or E, Chapter 23 of this code; or
- (4) the records do not conform to the requirements of law in any other respect.

**Sec. 41.02. Action by Board**

If after reviewing the appraisal records the appraisal review board finds that appraisals are not substantially uniform or that the records do not conform to the requirements of law in some other respect, the board shall refer the matter to the appraisal office and by written order shall direct the chief appraiser to make the reappraisals or corrections in the records that are necessary to conform the records to the requirements of law.

**Sec. 41.03. Challenge by Taxing Unit**

A taxing unit is entitled to challenge before the appraisal review board:

- (1) a determination of the appraised value of property or, in the case of land appraised as provided by Subchapter C, D, or E, Chapter 23 of this code, a determination of its appraised value or market value;
- (2) an exclusion of property from the appraisal records;
- (3) a grant in whole or in part of a partial exemption;
- (4) a determination that land qualifies for appraisal as provided by Subchapter C, D, or E, Chapter 23 of this code; or
- (5) failure to identify the taxing unit as one in which a particular property is taxable.

**Sec. 41.04. Challenge Petition**

The appraisal review board is not required to hear or determine a challenge unless the taxing unit initiating the challenge files a petition with the board before May 1 or within 10 days after the date that the appraisal records are submitted to the appraisal review board, whichever is later. The petition must include an explanation of the grounds for the challenge.

**Sec. 41.05. Hearing on Challenge**

(a) On the filing of a challenge petition, the appraisal review board shall schedule a hearing on the challenge.

(b) The taxing unit initiating the challenge and each taxing unit in which property involved in the challenge is or may be taxable are entitled to an opportunity to appear to offer evidence or argument.

(c) The chief appraiser shall appear at each hearing to represent the appraisal office.

**Sec. 41.06. Notice of Challenge Hearing**

(a) The secretary of the appraisal review board shall deliver to the presiding officer of the governing body of each taxing unit entitled to appear at a challenge hearing written notice of the date, time, and place fixed for the hearing. The secretary shall deliver the notice not later than the 10th day before the date of the hearing.

(b) The secretary shall give the chief appraiser advance notice of the date, time, place, and subject matter of each challenge hearing.

**Sec. 41.07. Determination of Challenge**

(a) The appraisal review board shall determine each challenge and make its decision by written order.

(b) If on determining a challenge the board finds that the appraisal records are incorrect in some respect raised by the challenge, the board shall refer the matter to the appraisal office and by its order shall direct the chief appraiser to make the reappraisals or corrections in the records that are necessary to conform the records to the requirements of law.

(c) The board shall determine all challenges before approval of the appraisal records as provided by Section 41.12 of this code.

**Sec. 41.08. Correction of Records on Order of Board**

The chief appraiser shall make the reappraisals or other corrections of the appraisal records ordered by the appraisal review board as provided by this subchapter. The chief appraiser shall submit a copy of the corrected records to the board for its approval as promptly as practicable.

**Sec. 41.09. Clerical Errors**

At any time before approval of the appraisal records as provided by Section 41.12 of this code, the appraisal review board in writing may correct a clerical error in the records without referring the matter to the appraisal office if the correction will not affect the tax liability of a property owner and if the chief appraiser does not object in writing.

**Sec. 41.10. Correction of Records on Recommendation of Chief Appraiser**

At any time before approval of the appraisal records as provided by Section 41.12 of this code, the chief appraiser may submit written recommendations to the appraisal review board for corrections in the records. If the board approves a recommended correction and it will not result in an increase in the tax liability of a property owner, the board may make the correction by written order.

**Sec. 41.11. Notice to Property Owner of Change in Records**

(a) Not later than the 15th day before the date the appraisal review board approves the appraisal records as provided by Section 41.12 of this code, the secretary of the board shall deliver written notice to a property owner of any change in the records that is ordered by the board as provided by this subchapter and that will result in an increase in the tax liability of the property owner.

(b) The secretary shall include in the notice a brief explanation of the procedure for protesting the change.

(c) Failure to deliver notice to a property owner as required by this section nullifies the change in the records to the extent the change is applicable to that property owner.

**Sec. 41.12. Completion of Review by Board**

The appraisal review board shall complete its review of the appraisal records, approve the records, and submit a list of its approved changes in the records to the chief appraiser by June 20 or as soon thereafter as practicable.

[Sections 41.13–41.20 reserved for expansion]

**SUBCHAPTER B. EQUALIZATION BY COMMISSIONERS COURT**

**Sec. 41.21. Scope of Review**

The county commissioners court acting as a board of equalization may examine the appraisal records for county tax purposes to determine whether:

- (1) appraisals are substantially uniform in terms of their relationship to the appraised value required by law;
- (2) an exemption or a partial exemption is improperly granted;
- (3) land is improperly designated for agricultural use; or
- (4) the records do not conform to the requirements of law in any other respect.

**Sec. 41.22. Action by Commissioners Court**

If after reviewing the appraisal records the commissioners court finds that appraisals are not substantially uniform or that the records do not conform to the requirements of law in some other respect, the court shall refer the matter to the county assessor-collector and by written order shall direct the assessor-collector to make the reappraisals or corrections in the records that are necessary to conform the records to the requirements of law.

**Sec. 41.23. Correction of Records on Order of Commissioners Court**

The county assessor-collector shall make the reappraisals or other corrections of the appraisal records ordered by the commissioners court as provided by this subchapter. The assessor-collector shall submit a copy of the corrected records to the court for its approval as promptly as practicable.

**Sec. 41.24. Clerical Errors**

At any time before approval of the appraisal records as provided by Section 41.27 of this code, the commissioners court in writing may correct a clerical error in the records without referring the matter to the county assessor-collector if the correction will not affect the tax liability of a property owner and if the assessor-collector does not object in writing.

**Sec. 41.25. Correction of Records on Recommendation of Assessor-Collector**

At any time before approval of the appraisal records as provided by Section 41.27 of this code, the county assessor-collector may submit written recommendations to the commissioners court for corrections in the records. If the court approves a recommended correction and it will not result in an increase in the tax liability of a property owner, the court may make the correction by written order.

**Sec. 41.26. Notice to Property Owner of Change in Records**

(a) Not later than the 15th day before the date the commissioners court approves the appraisal records as provided by Section 41.27 of this



code, the court shall deliver written notice to a property owner of any change in the records that is ordered by the court as provided by this subchapter and that will result in an increase in the tax liability of the property owner.

(b) The commissioners court shall include in the notice a brief explanation of the procedure for protesting the change.

(c) Failure to deliver notice to a property owner as required by this section nullifies the change in the records to the extent the change is applicable to that property owner.

**Sec. 41.27. Completion of Review by Commissioners Court**

The commissioners court shall complete its review of the appraisal records, approve the records, and submit a list of its approved changes in the records to the county assessor-collector by June 20 or as soon thereafter as practicable.

[Sections 41.28–41.40 reserved for expansion]

**SUBCHAPTER C. TAXPAYER PROTEST**

**Sec. 41.41. Right of Protest**

A property owner is entitled to protest before the commissioners court acting as a board of equalization for county tax purposes or before the appraisal review board for all other tax purposes the following actions:

(1) determination of the appraised value of his property or, in the case of land appraised as provided by Subchapter C, D, or E, Chapter 23 of this code, determination of its appraised or market value;

(2) unequal appraisal of his property in comparison to the aggregate mean level of appraisals of other property in the county for county tax purposes or in the appraisal district for all other tax purposes;

(3) inclusion of his property on the appraisal records for the county for county tax purposes or for the appraisal district for all other tax purposes;

(4) denial to him in whole or in part of a partial exemption;

(5) determination that his land does not qualify for appraisal as provided by Subchapter C, D, or E, Chapter 23 of this code;

(6) identification of the taxing units in which his property is taxable in the case of the appraisal district's appraisal roll;

(7) determination that he is the owner of property; or

(8) any other action that applies to the property owner and adversely affects him.

**Sec. 41.42. Protest of Situs**

A protest against the inclusion of property on the appraisal records for a particular county or appraisal district on the ground that the property does not have taxable situs in that county or district may not be determined in favor of the protesting party unless he establishes that the property is on the appraisal records for another county or district, as applicable, or that the property is not taxable in this state.

**Sec. 41.43. Protest of Inequality of Appraisal**

A protest on the ground of unequal appraisal of property may not be determined in favor of the protesting party unless he establishes that his property is appraised at a level greater than the aggregate mean level of appraisals in the county or in the appraisal district, as applicable.

**Sec. 41.44. Protest Petition**

(a) Except as provided by Subsection (b) of this section, to be entitled to a hearing and determination of a protest, the property owner initiating the protest must file a petition with the appraisal review board or the commissioners court having authority to hear the matter protested:

(1) before May 11 or within 20 days after the date the appraisal records are submitted as provided by Section 25.22 of this code, whichever is later; or

(2) in the case of a protest of a change in the appraisal records ordered as provided by Subchapter A or B of this chapter, within 10 days after the date notice of the change is delivered to the property owner.

(b) A property owner who files his protest petition after the deadline prescribed by Subsection (a) of this section but before the appraisal review board or commissioners court, as applicable, approves the appraisal records is entitled to a hearing and determination of the protest if he shows good cause as determined by the board or court for failure to file the petition on time.

(c) The petition must include an explanation of the grounds for the protest.

**Sec. 41.45. Hearing on Protest**

(a) On the filing of a petition as required by Section 41.44 of this code, the appraisal review board or the commissioners court in which the petition is filed shall schedule a hearing on the protest.

(b) The property owner initiating the protest is entitled to an opportunity to appear to offer evidence or argument. The property owner may offer his evidence or argument by affidavit without personally appearing if he attests to the affidavit before an officer authorized to administer oaths and submits the affidavit to the board or court hearing the protest before it begins the hearing on the protest. On receipt of an affidavit, the board shall notify the chief appraiser or the court shall notify the county assessor-collector. The chief appraiser or county assessor-collector may inspect the affidavit and is entitled to a copy on request.

(c) The chief appraiser shall appear at each protest hearing before the appraisal review board to represent the appraisal office. The county assessor-collector shall appear at each protest hearing before the commissioners court to represent his office.

(d) An appraisal review board consisting of more than three members may sit in panels of not fewer than three members to conduct protest hearings. However, the determination of a protest heard by a panel must be made by the board.

**Sec. 41.46. Notice of Protest Hearing**

(a) The appraisal review board or commissioners court before which a protest hearing is scheduled shall deliver written notice to the property owner initiating a protest of the date, time, and place fixed for the hearing on the protest. The board or court shall deliver the notice not later than the 15th day before the date of the hearing.

(b) In the case of protests before the appraisal review board, the board shall give the chief appraiser advance notice of the date, time, place, and subject matter of each protest hearing. In the case of protests before the commissioners court, the court shall give the notice to the county assessor-collector.

**Sec. 41.47. Determination of Protest**

(a) The appraisal review board or commissioners court hearing a protest shall determine the protest and make its decision by written order.

(b) If on determining a protest the board or court finds that the appraisal records are incorrect in some respect raised by the protest, the board or court by its order shall correct the appraisal records by changing the appraised value placed on the protesting property owner's property or by making the other changes in the appraisal records that are necessary to conform the records to the requirements of law.

(c) The board or court shall include in its order the findings of fact and conclusions of law on which the order is based. In making the fact findings, the board or court may consider only the evidence presented at the hearing and matters officially noticed.

(d) The board and court shall determine all protests before each before approval of the appraisal records as provided by Subchapter A or B of this chapter.

(e) The board or court shall deliver by certified mail a notice of issuance of the order and a copy of the order to the property owner and the chief appraiser or county assessor-collector.

[Sections 41.48–41.60 reserved for expansion]

**SUBCHAPTER D. ADMINISTRATIVE PROVISIONS**

**Sec. 41.51. Issuance of subpoena**

(a) If reasonably necessary in the course of a proceeding provided by this chapter, the appraisal review board or the commissioners court on its own motion or at the request of a party may subpoena witnesses or books, records, or other documents.

(b) On the written request of a party to a proceeding provided by this chapter, the appraisal review board or commissioners court shall issue a subpoena if the requesting party:

(1) shows good cause for issuing the subpoena; and

(2) deposits with the issuing board or court a sum the board or court determines is reasonably sufficient to insure payment of the costs estimated to accrue for issuance and service of the subpoena and for compensation of the individual to whom it is directed.

**Sec. 41.62. Service and Enforcement of Subpoena**

(a) A sheriff or constable shall serve a subpoena issued as provided by this subchapter.

(b) If the person to whom a subpoena is directed fails to comply, the issuing board or commissioners court or the party requesting the subpoena may bring suit in the district court to enforce the subpoena. If the district court determines that good cause exists for issuance of the subpoena, the court shall order compliance. The district court may modify the requirements of a subpoena that the court determines are unreasonable. Failure to obey the order of the district court is punishable as contempt.

(c) The county attorney or, if there is no county attorney, the district attorney shall represent the board and the commissioners court in a suit to enforce a subpoena.

**Sec. 41.63. Compensation for Subpoenaed Witness**

(a) An individual who is not a party to the proceeding and who complies with a subpoena issued as provided by this subchapter is entitled to:

(1) the reasonable costs of producing the documents;

(2) mileage of 15 cents a mile for going to and returning from the place of the proceeding; and

(3) a fee of \$10 a day for each whole or partial day that the individual is necessarily present at the proceedings.

(b) The appraisal review board and commissioners court each by rule may prescribe greater mileage or fee, but an increase is not effective unless uniformly applicable to all individuals who are entitled to mileage or fee as provided by Subsection (a) of this section.

(c) Compensation authorized as provided by this section is paid by the appraisal office if the subpoena is issued on the motion of the appraisal review board, by the commissioners court if issued on its own motion, or by the party requesting the subpoena.

(d) Compensation is not payable unless the amount claimed is approved by the appraisal review board or commissioners court that issued the subpoena.

**Sec. 41.64. Inspection of Tax Records**

The appraisal review board and the commissioners court each may inspect the records or other materials of the appraisal office or the county assessor-collector's office, as applicable, that are not made confidential under this code. On demand of the board or commissioners court, the chief appraiser or county assessor-collector, as applicable, shall produce the materials as soon as practicable.

**Sec. 41.65. Request for State Assistance**

The appraisal review board and the commissioners court each may request the State Property Tax Board to assist in determining the accuracy of appraisals by the appraisal office or by the county assessor-collector's office or to provide other professional assistance. The appraisal office or commissioners court shall reimburse the costs of providing assistance if the State Property Tax Board requests reimbursement.

**Sec. 41.66. Hearing Procedures**

(a) The appraisal review board shall establish by rule the procedures for hearings it conducts as provided by Subchapters A and C of this chapter. The commissioners court shall establish by rule the procedures for hearings it conducts as provided by Subchapters B and C of this chapter.

(b) Hearing procedures to the greatest extent practicable shall be informal.

(c) A property owner who is entitled as provided by this chapter to appear at a hearing may appear by himself or by his agent authorized in writing. A taxing unit may appear by a designated agent.

(d) Hearings conducted as provided by this chapter are open to the public.

**Sec. 41.67. Evidence**

(a) A member of the appraisal review board or the commissioners court may swear witnesses who testify in proceedings under this chapter. All testimony must be given under oath.

(b) Documentary evidence may be admitted in the form of a copy if the appraisal review board or commissioners court conducting the proceeding determines that the original document is not readily available. A party is entitled to an opportunity to compare a copy with the original document on request.

(c) Official notice may be taken of any fact judicially cognizable. A party is entitled to an opportunity to contest facts officially noticed.

**Sec. 41.68. Record of Proceeding**

The appraisal review board and the commissioners court each shall keep a record of their proceedings in the form and manner prescribed by the State Property Tax Board.

**Sec. 41.69. Conflict of Interest**

A member of the appraisal review board or commissioners court may not participate in the determination of a taxpayer protest in which he is interested or in which he is related to a party by affinity within the second degree or by consanguinity within the third degree.

**CHAPTER 42. JUDICIAL REVIEW**

**SUBCHAPTER A. IN GENERAL**

**Section**

- 42.01. Right of Appeal by Property Owner.
- 42.02. Right of Appeal by Chief Appraiser.
- 42.03. Right of Appeal by County.
- 42.04. Right of Appeal by County Assessor-Collector.
- 42.05. State Property Tax Board as Party.
- 42.06. Notice of Appeal.
- 42.07. Costs of Appeal.
- 42.08. Forfeiture of Remedy for Nonpayment of Taxes.
- 42.09. Remedies Exclusive.

[Sections 42.10–42.20 reserved for expansion]

**SUBCHAPTER B. REVIEW BY DISTRICT COURT**

- 42.21. Petition for Review.
- 42.22. Venue.
- 42.23. Scope of Review.
- 42.24. Action by Court.
- 42.25. Remedy for Excessive Appraisal.
- 42.26. Remedy for Unequal Appraisal.
- 42.27. Additional Remedy for Erroneous Value.
- 42.28. Appeal of District Court Judgment.

[Sections 42.29–42.40 reserved for expansion]

**SUBCHAPTER C. POSTAPPEAL ADMINISTRATIVE PROCEDURES**

- 42.41. Correction of Rolls.
- 42.42. Corrected and Supplemental Tax Bills.
- 42.43. Refund.

**SUBCHAPTER A. IN GENERAL**

**Section 42.01. Right of Appeal by Property Owner**

A property owner is entitled to appeal:

- (1) an order of the appraisal review board or commissioners court determining a protest by the property owner as provided by Subchapter C of Chapter 41 of this code;
- (2) an order of the State Property Tax Board determining a protest by the property owner of the appraisal, interstate allocation, or intrastate apportionment of transportation business intangibles as provided by Subchapter A, Chapter 24 of this code; or
- (3) an order of the State Property Tax Board issued as provided by Subchapter B, Chapter 24 of this code apportioning among the

counties the appraised value of railroad rolling stock owned by the property owner.

**Sec. 42.02. Right of Appeal by Chief Appraiser**

The chief appraiser is entitled to appeal an order of the appraisal review board determining a taxpayer protest as provided by Subchapter C, Chapter 41 of this code if he has written approval of the local appraisal district board of directors to appeal.

**Sec. 42.03. Right of Appeal by County**

A county may appeal the order of the State Property Tax Board issued as provided by Subchapter B, Chapter 24 of this code apportioning among the counties the appraised value of railroad rolling stock.

**Sec. 42.04. Right of Appeal by County Assessor-Collector**

The county assessor-collector is entitled to appeal an order of the commissioners court determining a taxpayer protest as provided by Subchapter C, Chapter 41 of this code.

**Sec. 42.05. State Property Tax Board as Party**

The State Property Tax Board is an opposing party in an appeal by:

- (1) a property owner of an order of the board determining a protest of the appraisal, interstate allocation, or intrastate apportionment of transportation business intangibles; or
- (2) a county or a property owner of an order of the board apportioning among the counties the appraised value of railroad rolling stock.

**Sec. 42.06. Notice of Appeal**

(a) To exercise his right of appeal, a party must file written notice of appeal within 15 days after the date he receives the notice required by Section 41.47 of this code that the order appealed has been issued.

(b) The notice must be filed with the body that issued the order appealed.

(c) If the chief appraiser, the county assessor-collector, or a county appeals, the body with which the notice of appeal is filed shall deliver a copy of the notice to the property owner whose property is involved in the appeal within 10 days after the date the notice is filed.

(d) On the filing of a notice of appeal, the chief appraiser or county assessor-collector shall indicate where appropriate those entries on the appraisal records that are subject to the appeal.

**Sec. 42.07. Costs of Appeal**

The reviewing court in its discretion may charge all or part of the costs of an appeal taken as provided by this chapter against any of the parties.

**Sec. 42.08. Forfeiture of Remedy for Nonpayment of Taxes**

(a) The pendency of an appeal as provided by this chapter does not affect the date taxes become delinquent.

(b) A property owner who appeals as provided by this chapter must pay the tax due on the amount of value of the property involved in the pending action that is not in dispute or the amount of tax paid on the property in the preceding year, whichever is greater, before the delinquency date or he forfeits his right to proceed to a final determination of the pending action. In that event, the reviewing court on its own motion or on the motion of an opposing party shall dismiss the pending action.

**Sec. 42.09. Remedies Exclusive**

The procedures prescribed by this title for adjudication of the grounds of protest authorized by this title are exclusive, and a property owner may not raise any of those grounds:

- (1) in defense to a suit to enforce collection of delinquent taxes;
- or
- (2) as a basis of a claim for relief in a suit by the property owner to arrest or prevent the tax collection process or to obtain a refund of taxes paid.

[Sections 42.10–42.20 reserved for expansion]

**SUBCHAPTER B. REVIEW BY DISTRICT COURT****Sec. 42.21. Petition for Review**

A party who appeals as provided by this chapter must file a petition for review with the district court within 45 days after the party received notice that a final order has been entered from which an appeal may be had; failure to timely file a petition bars any appeal under this section. Citation is issued and served in the manner provided by law for civil suits generally.

**Sec. 42.22. Venue**

Venue is in the county in which the appraisal review board or commissioners court that issued the order appealed is located. Venue is in Travis County if the order appealed was issued by the State Property Tax Board.

**Sec. 42.23. Scope of Review**

(a) Review is by trial de novo. The district court shall try all issues of fact and law raised by the pleadings in the manner applicable to civil suits generally.

(b) The court may not admit in evidence the fact of prior action by the appraisal review board, commissioners court, or State Property Tax Board, except to the extent necessary to establish its jurisdiction.

(c) Any party is entitled to trial by jury on demand.

**Sec. 42.24. Action by Court**

In determining an appeal, the district court may:

- (1) fix the appraised value of property in accordance with the requirements of law if the appraised value is at issue;
- (2) enter the orders necessary to ensure equal treatment under the law for the appealing property owner if inequality in the appraisal of his property is at issue; or
- (3) enter other orders necessary to preserve rights protected by and impose duties required by the law.

**Sec. 42.25. Remedy for Excessive Appraisal**

If the court determines that the appraised value of property according to the appraisal roll exceeds the appraised value required by law, the property owner is entitled to a reduction of the appraised value on the appraisal roll to the appraised value determined by the court.

**Sec. 42.26. Remedy for Unequal Appraisal**

The district court may not grant relief on the ground that a property is appraised unequally in comparison to the level of appraisals of other property in the county or in the appraisal district unless the appraised value of the property varies at least 10 percent from its value calculated on the basis of the aggregate mean level of appraisals in the county or district, as applicable. In that event, the court shall order the appraised

value changed to the value as calculated on the basis of the aggregate mean level of appraisals in the county or district, as applicable.

**Sec. 42.27. Additional Remedy for Erroneous Value**

(a) The issue to be determined by the district court in an appeal under this section is whether or not the market value of the property in question according to the appraisal roll is in error.

(b) If the trier of fact finds that the market value is in error, meaning it is higher than the value set out by the property owner in a property information report properly filed pursuant to Chapter 22 of this code, then the trier of fact shall fix a market value for the property in question as of January 1 of the tax year of controversy. In order for a taxpayer to prevail on appeal, the variance in market value must be found to be in excess of 5 percent of the market value as contended by the taxpayer.

(c) The market value fixed by the court or jury pursuant to Subsection (b) of this section shall be binding on the taxing units or unit involved in the law suit for the tax year in question and for the succeeding tax year.

(d) A taxpayer who prevails in an appeal to the court shall be entitled to reimbursement for reasonable attorneys fees.

**Sec. 42.28. Appeal of District Court Judgment**

A party may appeal the final judgment of the district court as provided by law for appeal of civil suits generally, except that an appeal bond is not required of the chief appraiser, the county, the State Property Tax Board, or the commissioners court.

[Sections 42.29–42.40 reserved for expansion]

**SUBCHAPTER C. POSTAPPEAL ADMINISTRATIVE PROCEDURES**

**Sec. 42.41. Correction of Rolls**

The chief appraiser or county assessor-collector, as applicable, shall correct the appraisal roll and other appropriate records as necessary to reflect the final determination of an appeal, and the assessor for each affected taxing unit shall correct the tax roll and other appropriate records for which he is responsible.

**Sec. 42.42. Corrected and Supplemental Tax Bills**

(a) Except as provided by Subsection (b) of this section, if the final determination of an appeal that changes a property owner's tax liability occurs after the tax bill is mailed, the assessor for each affected taxing unit shall prepare and mail a corrected tax bill in the manner provided by Chapter 31 of this code for tax bills generally. The assessor shall include with the bill a brief explanation of the reason for and effect of the corrected bill.

(b) If the final determination of an appeal that increases a property owner's tax liability occurs after the property owner has paid his taxes, the assessor for each affected taxing unit shall prepare and mail a supplemental tax bill in the manner provided by Chapter 31 of this code for tax bills generally. The assessor shall include with the bill a brief explanation of the reason for and effect of the supplemental bill. The additional tax is due on receipt of the supplemental bill and becomes delinquent if not paid before the delinquency date prescribed by Chapter 31 of this code or before the first day of the next month after the date of mailing that will provide at least 21 days for payment of the tax, whichever is later.



(c) If the final determination of an appeal occurs after the property owner has paid a portion of the tax finally determined to be due as required by Section 42.08 of this code, the assessor for each affected taxing unit shall prepare and mail a supplemental tax bill in the form and manner prescribed by Subsection (b) of this section. The additional tax is due and becomes delinquent as provided by Subsection (b), but the property owner is liable for interest on the tax included in the supplemental bill at the rate prescribed by this code for delinquent taxes.

**Sec. 42.43. Refund**

If the final determination of an appeal that decreases a property owner's tax liability occurs after the property owner has paid his taxes, the taxing unit shall refund to the property owner the difference between the amount of taxes paid and amount of taxes for which the property owner is liable.

**CHAPTER 43. SUIT AGAINST APPRAISAL OFFICE**

**Section**

**43.01. Authority to Bring Suit.**

**43.02. Venue.**

**43.03. Action by Court.**

**Section 43.01. Authority to Bring Suit**

A taxing unit may sue the appraisal district that appraises property for the unit to compel the appraisal district to comply with the provisions of this title, rules of the State Property Tax Board, or other applicable law.

**Sec. 43.02. Venue**

Venue is in the county in which the appraisal district is established.

**Sec. 43.03. Action by Court**

The court as the evidence warrants shall enter those orders necessary to compel compliance by the appraisal office.

**Sec. 2.\* (a)** Each year the State Property Tax Board shall distribute money from funds appropriated by law to each appraisal district to assist the districts in preparing to implement the Property Tax Code. The board shall allocate the total amount appropriated as provided by this section.

(b) Each appraisal district is entitled to an equal portion of one-fourth of the total amount appropriated for each year, except that the total amount distributed to a district under this subsection may not exceed \$25 for each parcel of taxable real property in the district.

(c) After the total of the allocations as provided by Subsection (b) of this section is determined and subtracted from the total appropriation for the year, each district is entitled to a portion of the balance of the annual appropriation according to the ratio the number of parcels of taxable real property in the district bears to the number of parcels of taxable real property in all appraisal districts.

(d) The State Property Tax Board shall promulgate rules prescribing the procedures for distributing the funds and for determining the number of parcels of taxable real property in the state and in each appraisal district.

(e) This section expires on December 31, 1981.

**Sec. 3. (a)** Except as otherwise provided by this section, the Property Tax Code takes effect January 1, 1982.

4. V.T.C.A. Tax Code, § 5.08 note.

(b) <sup>5</sup> Chapter 5 takes effect January 1, 1980. The board shall provide advice and assistance as provided by Section 5.08 to local officials on the implementation of the Property Tax Code.

(c) <sup>6</sup> (1) Except as otherwise provided by this subsection, Subchapter A of Chapter 6 takes effect January 1, 1980.

(2) For the purpose of appointing the first members of the appraisal district board of directors, Section 6.03 takes effect September 1, 1979.

(3) Section 6.06 takes effect January 1, 1981. However, for the purpose of preparing and adopting a budget for 1981, Subsections (a) through (c) of Section 6.06 take effect September 1, 1980. The board shall perform the chief appraiser's functions as provided by Section 6.06 before the district employs a chief appraiser.

(4) Between January 1, 1980, and January 1, 1982, the appraisal district board of directors shall prepare for the district's operations pursuant to the Property Tax Code. The board of directors shall establish, equip, and staff the appraisal office before January 1, 1982. In 1980, the board of directors shall operate with funds distributed by the State Property Tax Board and in 1981 shall operate with the state funds and with the money paid to the district pursuant to Section 6.06, Property Tax Code.

(5) Before January 1, 1982, the appraisal district may contract as provided by the Interlocal Cooperation Act to perform appraisal services for any taxing unit within the district. A contract authorized by this subsection must provide that each contracting taxing unit pay the actual costs of the appraisal services performed for it and that a board of equalization appointed by the district's board of directors serve as board of equalization for the unit.

(6) For the purposes of a contract authorized by this subsection, the appraisal district board of directors shall appoint three residents of the district to serve as a board of equalization each year the district appraises property pursuant to a contract authorized by this subsection. The board of directors shall designate one of its appointees to serve as chairman of the board of equalization. Members of the board of equalization are entitled to per diem set by the board of directors for each day the board meets. Before the board of equalization begins to perform its duties, each member shall take an oath in substantially the form required by Article 7215, Revised Civil Statutes of Texas, 1925. The appraisal district board of equalization has the powers and shall perform the duties of the county board of equalization as provided by Title 122, Revised Civil Statutes of Texas, 1925, as amended.

(d) <sup>7</sup> If a county intends to contract with an appraisal district as authorized by Section 6.25, the commissioners court may participate in the appointment of the members of the district's board of directors before 1982 in the same manner as school districts and incorporated cities and towns if it adopts an order expressing that intent and delivers a certified copy of the order to the county clerk and the governing body of each taxing unit in the district before September 15 of any year in which nominations are made and appointments determined. If a county participates in the appointment of the district's board of directors as provided by this subsection, a portion of the district's budget is allocated to the county, in the same manner as other taxing units.

5. V.T.C.A. Tax Code, § 5.08 note.  
6. V.T.C.A. Tax Code, § 6.01 note.

7. V.T.C.A. Tax Code, § 6.25 note.

(e) Chapter 24 takes effect January 1, 1980.

(f) Subchapters A and B of Chapter 11 take effect January 1, 1980.

(g) Section 26.03 takes effect January 1, 1980.

(h) \* To the extent necessary to apply provisions of the Property Tax Code that take effect before January 1, 1982, Chapter 1 takes effect on January 1, 1980.

(i) Section 26.02 takes effect January 1, 1981.

(j) Sections 2, 5, 7, and 8 and Subsections (c), (d), (e), and (f)(1), Section 6 of this Act take effect January 1, 1980. Section 4 and Subsections (a), (b), and (f)(2) of Section 6 take effect January 1, 1982.

(k) \* For purposes of applying the parts of the Property Tax Code that take effect before January 1, 1982, "appraisal office," "appraisal district," and "chief appraiser" mean the office or officer, as applicable, that appraises property for the tax purposes of a taxing unit.

Sec. 4. (a) Section 1, Chapter 549, Acts of the 60th Legislature, Regular Session, 1967 (Article 29e, Vernon's Texas Civil Statutes), is amended <sup>10</sup> to read as follows:

"Section 1.

"In addition to other required notice and if not otherwise required by law to give notice by publication, any school board, county commissioners court, or governing board of a city shall place a notice in at least one newspaper of general circulation in the county where the board or court is located not more than 30 days nor less than 10 days before a public hearing relating to fiscal budgets or a regular or special election."

(b) Section 1, Chapter 152, Acts of the 50th Legislature, Regular Session, 1947 (Article 4494j, Vernon's Texas Civil Statutes), is amended <sup>11</sup> to read as follows:

"Section 1.

"Any county in this State having an assessed valuation of property for ad valorem tax purposes of less than Twenty Million Dollars (\$20,000,000) and having a county hospital belonging to said county and operated by such county, may, and such county is hereby authorized to sell or lease such hospital, provided the Commissioners Court of such county shall find and determine by an order entered in the minutes of such Court that it is to the best interests of such county to sell or lease said county hospital. The proposed sale or lease shall not be considered by such Commissioners Court unless and until said proposed sale or lease shall be approved by a majority vote in an election to be held in such county for the purpose of determining the will of property taxpaying voters living in the county, in reference to such subject. Such election shall be ordered by the Commissioners Court of any such county upon petition of not less than ten per cent (10%) of such voters and shall be otherwise held under and governed by the election provisions of Article 4478, Revised Civil Statutes, 1925, of the State of Texas."

(c) Section 1, Chapter 595, Acts of the 62nd Legislature, Regular Session, 1971 (Article 4494r—4, Vernon's Texas Civil Statutes), is amended <sup>12</sup> to read as follows:

"Section 1. That a hospital district organized pursuant to the provisions of Article IX, Section 9, of the Constitution of the State of Texas, may appoint its own assessor and collector of taxes for the hospital district."

8. V.T.C.A. Tax Code, § 1.01 note.

9. V.T.C.A. Tax Code, §§ 1.04 note, 6.05 note.

10. Vernon's Ann.Civ.St. art. 29e.

11. Vernon's Ann.Civ.St. art. 4494j.

12. Vernon's Ann.Civ.St. art. 4494r—4, § 1.

(d) Section 2, Chapter 36, Acts of the 42nd Legislature, 2nd Called Session, 1931 (Article 767g, Vernon's Texas Civil Statutes), is amended <sup>13</sup> to read as follows:

"Sec. 2.

"That taxes, in an amount sufficient to pay the principal of, and interest upon, any such bonds now outstanding, or hereafter issued, as aforesaid, shall be annually assessed and collected by the County Commissioners' Court of each County in which any such district, subdivision or precinct is situated, and express authority so to do is hereby delegated and granted to such Commissioners' Courts."

(e) Article 1041, Revised Civil Statutes of Texas, 1925, is amended <sup>14</sup> to read as follows:

"Art. 1041. Powers of council

"The city council may provide, by ordinance, for the prompt collection of all taxes, except ad valorem taxes, that are assessed, levied and imposed under this title, and is authorized to sell or cause to be sold real as well as personal property, and may make such rules and regulations, and pass all ordinances as they may deem necessary to the levying, laying, imposing, assessing and collecting of any tax herein provided."

(f) Subsection (c), Section 22, Chapter 57, Acts of the 55th Legislature, Regular Session, 1957, as added (Article 2351a—6, Vernon's Texas Civil Statutes), is amended <sup>15</sup> to read as follows:

"(c) After issuing the dissolution order the Board of Fire Commissioners shall:

"(1) determine the debt, if any, owed by the district; and

"(2) levy and collect a tax on the property included in the tax roll of the district in proportion of the debt to the value of the property."

(g) Article 7048, Revised Civil Statutes of Texas, 1925, is amended <sup>16</sup> to read as follows:

"Art. 7048. County occupation, etc.

"Each commissioners court shall have the right to levy one-half of the occupation tax levied by the State upon all occupations not herein otherwise specially exempted; provided any one wishing to pursue any of the vocations named in this chapter, upon which any county occupation tax may be levied, may do so by paying the same quarterly. The receipt of the proper officer under seal shall be prima facie evidence of the payment of such taxes as are herein named. The provisions of this law shall not be deemed to affect the provisions of any law specially authorizing any commissioners court to levy a different rate of tax. No person shall be allowed license for keeping any nine or ten pin alley, or anything of the kind used for profit, for a period of less than twelve months. The governing body of any incorporated town or city shall in no case levy a greater tax on any occupation than that authorized by this chapter to be levied by the commissioners court. In all cases where any dealer in merchandise, wares or goods of any kind, subject to occupation taxes under the provisions of this law, who shall after becoming liable for any occupation tax, become bankrupt or make assignment of said merchandise, wares or goods, then the tax collector shall at once demand of the receiver or assignee of said dealer payment of the amount due for said taxes by said dealer; and in case of failure of said receiver or assignee to at once

13. Vernon's Ann.Civ.St. art. 767g.  
14. Vernon's Ann.Civ.St. art. 1041.

15. Vernon's Ann.Civ.St. art. 2351a—6, §  
22, subsec. (c).  
16. Vernon's Ann.Civ.St. art. 7048.

pay the amount of said taxes, the said collector shall levy upon, seize and sell from the said merchandise, wares or goods, enough to satisfy the amount of said taxes, and said taxes, until paid, shall constitute a prior lien on said merchandise, goods and wares in default of said taxes."

(h) Article 7260, Revised Civil Statutes of Texas, 1925, as amended, is amended <sup>17</sup> to read as follows:

**"Art. 7260. Poll tax reports and remittances**

"(a) The comptroller shall promulgate rules prescribing methods of accounting for and remitting the state poll tax and shall prescribe and furnish forms for periodic reports.

"(b) A county assessor-collector shall file with the comptroller, at the times and in the manner required by the rules, sworn reports accounting for all state poll taxes, collected or delinquent.

"(c) A county assessor-collector shall remit the state poll taxes he collects at the times and in the manner required by the rules."

(i) Article 7861, Revised Civil Statutes of Texas, 1925, is amended <sup>18</sup> to read as follows:

**"Art. 7861. Bonds: limit of issue**

"Said bonds shall not exceed in amount one-fourth of the assessed valuation of the real property of such district."

(j) Articles 7870, 7871, and 7877, Revised Civil Statutes of Texas, 1925, are amended <sup>19</sup> to read as follows:

**"Art. 7870. Tax levy**

"The directors shall annually levy and cause to be assessed taxes upon all property within said district sufficient to pay the expenses of assessing and collecting same, and a tax sufficient for the expenses incident to the maintenance of the district.

**"Art. 7871. Assessment and collection of taxes**

"The county tax assessor-collector shall assess and collect the taxes levied by the district."

**"Art. 7877. Maintenance tax**

"The directors shall have authority as occasion may require, in their discretion, to levy a tax on all property within such district in an amount sufficient to pay for the proper maintenance, operation and repair of any dams, bulkheads, jetties, locks, gates or any other improvement constructed by said district."

(k) The following sections of the Texas Education Code are amended <sup>20</sup> to read as follows:

**"Sec. 11.01. Composition and Purpose**

"The State Board of Education, the State Board for Vocational Education, the state commissioner of education, and the State Department of Education shall comprise the Central Education Agency. It shall carry out such educational functions as may be assigned to it by the legislature, but all educational functions not specifically delegated to the Central Education Agency shall be performed by county boards of education or district boards of trustees."

**"Sec. 18.13. Assessment and Collection of Tax**

"(a) The county equalization tax shall be imposed on all taxable property in the county.

17. Vernon's Ann.Civ.St. art. 7260.

18. V.A.T.S. Water Auxillary Laws, art 7861

19. V.A.T.S. Water Auxillary Laws, arts. 7870, 7871, 7877.

20. V.T.C.A. Education Code, §§ 11.01, 18-13, 18.25, 23.96, 25.07, 28.06, 130.102, 130.121.

"(b) The county tax assessor and collector shall assess and collect the county equalization tax.

"(c) The tax collector shall, upon the authorization of the county governing board as provided in Section 18.14 of this code, place to the credit of the common school districts in the county such money as is apportioned to them, the funds to be protected as provided by existing depository laws.

"(d) The tax collector shall honor all warrants issued by the county governing board in allocating money from the county equalization fund to independent school districts within the county, and the funds so received by the independent school districts shall be protected in accordance with existing depository laws."

**"Sec. 18.25. Meeting to Determine Tax Required**

"If the vote be in favor of such tax, the County School Trustees of such county shall as soon thereafter as practicable hold a meeting for the purpose of determining the amount of money required for equalization purposes, and for the payment of administration expense in such counties, and they shall thereupon make their order setting forth the estimated amount of money required for such purposes, and the rate of tax to be levied to raise such sums, and shall certify the same to the Commissioners' Court; and the Commissioners' Court shall levy the rate so certified to them by the said County School Trustees, not to exceed the rate fixed by this chapter, and cause such tax to be assessed and collected."

**"Sec. 23.96. Assessment and Collection by City**

"(a) Any independent school district located entirely or partly within the boundaries of an incorporated city or town may authorize, by ordinance or resolution, the tax assessor and tax collector of the municipality in which it is located, entirely or partly, to act as tax assessor and tax collector, respectively, for the district.

"(b) When the ordinance or resolution is passed making available their services, said assessor shall assess the taxes for and perform the duties of tax assessor for the independent school district; and the collector shall collect the taxes and assessments for and shall perform the duties of tax collector of the independent school district.

"(c) In all matters pertaining to such assessments and collections the tax assessor and tax collector shall be authorized to act as and shall perform respectively the duties of tax assessor and tax collector of the independent school district.

"(d) When the tax assessor and tax collector of any municipality have been authorized by ordinance or resolution to act as and perform the duties, respectively, of tax assessor and tax collector of an independent school district located entirely or partly within its boundaries, such included district shall pay the municipality for said services and for such other incidental expenses as are necessarily incurred in connection with the rendering of such services, such an amount as may be agreed upon by the governing bodies of the municipality and the independent school district."

**"Sec. 25.07. Assessment and Collection of Taxes**

"(a) Except as provided in this chapter, the taxes for a rural high school district shall be assessed and collected by the county tax assessor-collector, but no tax shall be levied and no bonds assumed or issued by the board of trustees of the rural high school district until after election in accordance with the law governing such elections in independent school districts.

"(b) The board of trustees of a rural high school district may appoint an assessor of taxes who shall assess the taxable property within the limits of the district in which event:

"(1) The tax assessor so appointed shall receive compensation for his services as the trustees of the district may allow; and

"(2) The county tax assessor-collector shall collect the taxes.

"(c) If a rural high school district has an assessed valuation in excess of \$4,000,000 or an average daily attendance of more than 550 students during the preceding year, the board of trustees of the rural high school district may, by majority vote, appoint a collector of taxes for the district. He shall receive compensation for his services as the trustees of the district may allow.

"(d) If a rural high school district is situated in more than one county or subject to the jurisdiction of a county having a population of 350,000 or more, according to the last preceding federal census, the board of trustees of the rural high school district may, by majority vote, choose to have the taxes for the district assessed and collected by an assessor-collector appointed by the board. In the event the board so chooses, the following regulations shall apply:

"(1) The assessor-collector appointed by the board shall assess the taxable property within the limits of the district in the time and manner provided by the general law applicable to taxation and collect the taxes;

"(2) The assessor-collector shall receive such compensation for his services as the board of trustees may allow; and

"(3) The board of trustees may also appoint one or more deputy tax assessor-collectors for the district who shall receive for their services such compensation as the board may allow.

"(e) Local taxes previously authorized by a district or districts included in a rural high school district shall be continued in force until such time as a tax election in the rural high school district may authorize a uniform tax for the benefit of the rural high school district."

**"Sec. 28.06. Duties of Commissioners Court**

"As soon as the commissioners court of said county receives notice of the total of assessed value of taxable property, it shall

"(1) determine the estimated total receipts from the levying and collecting of said tax of not exceeding 20 cents on the property in such countywide district according to such valuation;

"(2) determine the estimated amount of money apportionable for the ensuing school year to school district or districts under the jurisdiction of the county, which operate designated area vocational school(s), on the formula basis hereinafter prescribed; and

"(3) transmit a copy of the order fixing the estimated proportioned amount available, to the president of the board of trustees of each such designated school district or districts eligible therefor."

**"Sec. 130.102. Taxes**

"The tax assessors and collectors of the county or respective counties containing territory embraced within the boundaries of such regional college district shall assess and collect the taxes of said college district on the taxable property in the territory of said district located in said county or respective counties on levies made and rates fixed by the board of regents of said district."

**"Sec. 130.121. Tax Assessment and Collection**

"(a) The governing board of each junior college district, and each regional college district, for and on behalf of its junior college division, annually shall cause the taxable property in its district to be assessed for ad valorem taxation and the ad valorem taxes in the district to be collected, in accordance with any one of the methods set forth in this section, and any method adopted shall remain in effect until changed by the board.

"(b) Each governing board shall be authorized to have the taxable property in its district assessed and/or its taxes collected, in whole or in part, by the tax assessors and/or tax collectors, respectively, of any county, city, taxing district, or other governmental subdivision in which all or any part of the junior college district is located.

"(c) The governing board of a joint county junior college district shall be authorized to have the taxable property in its district assessed or its taxes collected, in whole or in part, by the tax assessors or tax collectors, respectively, of any county, city, taxing district, or other governmental subdivision in which all or any part of the joint county junior college district is located. The tax assessors or tax collectors of a governmental subdivision, on the request of the governing board of a joint county junior college district, shall assess and collect the taxes of the joint county junior college district in the manner prescribed in the Property Tax Code. Tax assessors and tax collectors shall receive compensation in an amount agreed on between the appropriate parties, but not to exceed two percent of the ad valorem taxes assessed."

(l) Subsection (c) of Section 19.068 of the Texas Education Code is amended <sup>21</sup> to read as follows:

"(c) The boards of trustees shall have all rights and powers of taxation as provided for independent school districts, including assessing property for taxation, fixing tax rates, and issuing bonds."

(m) Subsection (g) of Section 22.11 of the Texas Education Code is amended <sup>22</sup> to read as follows:

"(g) The county tax collector shall collect taxes levied upon the property of a common or common consolidated school district and shall pay all such taxes to the county treasurer."

(n) Subsection (b) of Section 23.95 of the Texas Education Code is amended <sup>23</sup> to read as follows:

"(b) The assessor of taxes shall assess the taxable property within the limits of the independent school district and shall prepare the tax rolls of the district and sign and certify them to the county or city officer designated to collect the taxes."

(o) Subsection (d) of Section 24.07 of the Texas Education Code is amended <sup>24</sup> to read as follows:

"(d) The board of trustees of a municipal school district may contract with the county assessor-collector of taxes to assess and collect the taxes for the municipal school district on property located in the county."

(p) Subsection (b) of Section 26.69 of the Texas Education Code is amended <sup>25</sup> to read as follows:

"(b) The tax assessors and collectors of each county in a rehabilitation district must assess and collect taxes on taxable property in the

21. V.T.C.A. Education Code, § 19.068, subsec. (c).

22. V.T.C.A. Education Code, § 22.11, subsec. (g).

23. V.T.C.A. Education Code, § 23.95, subsec. (b).

24. V.T.C.A. Education Code, § 24.07, subsec. (d).

25. V.T.C.A. Education Code, § 26.69, subsec. (b).



county on levies made and rates fixed by the board of directors of that district, not exceeding the rate of five cents on each \$100 of valuation."

(q) Subsection (a) of Section 28.05 of the Texas Education Code is amended<sup>26</sup> to read as follows:

"(a) It shall be the duty of the commissioners court, after such tax shall have been voted, at the time other taxes are levied in the county, annually to levy a tax under this law of not to exceed 20 cents on the \$100 valuation. Such taxes shall be assessed and collected by the county tax assessor and collector."

(r) The following sections of the Water Code are amended<sup>27</sup> to read as follows:

**"Sec. 51.509. Lien Created; No Limitation**

"Charges or assessments imposed by a district for maintenance and operation of works, facilities, and services of the district shall constitute a lien against the land to which the charges or assessments have been established. No law providing limitation against actions for debt shall apply."

**"Sec. 51.561. Assessment and Collection of District Taxes**

"The assessor and collector shall assess and collect taxes for the district."

**"Sec. 51.652. Setting Annual Value of Land Unnecessary**

"If the district adopts the uniform acreage valuation for taxation, the valuation shall be applied to all land in the district, and it is not necessary to annually fix the value of the land. It is also unnecessary for the board to appoint a commission to ascertain or fix the value of the improvement to particular land."

**"Sec. 51.653. Preparing Tax Rolls**

"(a) The board shall examine the tax rolls to determine if all property subject to taxation appears on the tax rolls under the proper classification. The board shall add to the tax roll any property which was left off and shall examine, correct, and certify the tax roll."

"(b) Any property owner may protest to the board that his property has not been properly classified. The board shall consider the protest and enter its findings in the minutes."

**"Sec. 51.655. Law Governing Administration of Benefit Tax Plan**

"In a district that levies taxes on a benefit basis, the rate of taxation and the assessment and collection of taxes shall be governed by the law relating to ad valorem taxes to the extent applicable."

**"Sec. 51.804. Determining Amount of Tax**

"(a) The value of all of the taxable property of the district shall be taken at the assessed value as determined in the manner provided by the Property Tax Code, and an amount equal to the total of the principal and all interest to maturity on the bonds voted plus the estimated cost of collection of taxes shall be assessed against the taxable property of the district on the ad valorem basis."

"(b) The tax against the taxable property of each owner shall be that portion of the total principal and interest of the dissolution bonds and costs of collection which the assessed value of the taxable property of the owner bears to the total assessed values in the district."

26. V.T.C.A. Education Code, § 28.05, subsec. (a).

27. V.T.C.A. Water Code, §§ 51.509, 51.561, 51.652, 51.653, 51.655, 51.804, 51.812, 51.819, 51.820, 51.824, 51.836, 54.604, 55.455, 55.581,

55.673, 55.674, 55.676, 56.073, 56.077, 56.250, 57.174, 57.178, 57.251, 57.277, 57.279, 58.464, 58.509, 58.562, 58.651, 58.652, 58.654, 58.804, 58.812, 58.820, 61.232, 61.237, 62.196, 62.251, 63.285, 63.327, 63.329, 63.339.

**"Sec. 51.812. Dissolution Tax Roll**

"Before the issuance and delivery of the bonds, the board shall have the amount of dissolution tax imposed on each property in the district and its orders relating to the time and manner of payment of the tax entered on the current tax roll for the district."

**"Sec. 51.819. Filing Dissolution Tax Roll**

"After the preparation of the dissolution tax roll, the board shall file the tax roll with the assessor and collector of the county or counties in which the district is located.

**"Sec. 51.820. Collection of Taxes**

"The assessor and collector shall collect the taxes determined under Section 51.804 of this code on the land located in the county for which he is assessor and collector at the time and in the manner specified by the board in its various orders issuing the dissolution bonds and levying the taxes."

**"Sec. 51.824. Foreclosure of Lien**

"The lien may be foreclosed in the manner prescribed in the Property Tax Code in a suit or suits brought in the name of the district by the board, or by the trustee or his successor as provided by the board."

**"Sec. 51.836. Taxes to Pay Indebtedness After Dissolution**

"If a district has outstanding bonds or other indebtedness maturing beyond the current year in which the dissolution occurs, the commissioners court of the county in which the district is located shall levy and have assessed and collected, in the manner prescribed in the Property Tax Code sufficient taxes on all taxable property in the district to pay the principal of and interest on the bonds and other indebtedness when due."

**"Sec. 54.604. Assessment and Collection of District Taxes**

"The assessor and collector shall assess and collect taxes for the district."

**"Sec. 55.455. Taxes on Uniform Basis**

"(a) Any district which has the principal function of furnishing water for irrigation in the district may provide for the payment of principal and interest on any debts or obligations by levying taxes on land in the district on an equal or uniform basis with an equal charge per acre on each acre of land to be irrigated.

"(b) The tax collector shall prepare a special tax roll showing each tract of land in the district, the number of acres in each tract, the total assessment of benefits on each tract, and the amount to be paid each year on each tract, and the roll shall be prepared or amended annually.

"(c) The tax roll shall be examined, corrected, and approved by the board.

"(d) The tax roll shall be prepared at the time and in the manner provided in the Property Tax Code. The valuation fixed on property shall be the assessment charge against each acre of land at the time the debt or obligation is incurred."

**"Sec. 55.581. Assessment and Collection of District Taxes**

"The assessor and collector shall assess and collect taxes for the district."

**"Sec. 55.673. Setting Annual Value of Land Unnecessary**

"If the district adopts the uniform acreage valuation for taxation, the valuation shall be applied to all land in the district, and it is not necessary to annually fix the value of the land. It is also unnecessary for the

board to appoint a commission to ascertain or fix the value of the improvement to particular land.

**"Sec. 55.674. Preparing Tax Rolls**

"(a) The board shall examine the tax rolls to determine if all property subject to taxation appears on the tax rolls under the proper classification. The board shall add to the tax roll any property which was left off and shall examine, correct, and certify the tax roll.

"(b) Any property owner may protest to the board that his property has not been properly classified. The board shall consider the protest, hear evidence, and enter its findings in the minutes."

**"Sec. 55.676. Law Governing Administration of Benefit Tax Plan**

"In a district that levies taxes on a benefit basis, the rate of taxation and the assessment and collection of taxes shall be governed by the law relating to ad valorem taxes to the extent applicable."

**"Sec. 56.073. Tax Assessor and Collector**

"The county assessor and collector shall assess and collect taxes for the district."

**"Sec. 56.077. Separate Assessor and Collector**

"(a) After a district is created and on the petition of 25 resident freeholders of the district, the commissioners court may order an election to determine whether or not the district will have a separate tax assessor and collector to assess and collect taxes. Notice of the election shall be given as in the original election.

"(b) If the proposition is approved by a two-thirds vote, the commissioners court shall appoint a suitable person as assessor and collector, and the appointee shall assess and collect the district's taxes.

"(c) The Property Tax Code governs the assessing and collecting of district taxes."

**"Sec. 56.250. Law Governing Districts Levying Taxes on the Benefit Basis**

"A district that levies taxes on the benefit basis is governed by the provisions of this chapter. However, the rate of taxation and the assessment and collection of taxes is governed by the law relating to ad valorem taxes to the extent applicable and not inconsistent with this chapter."

**"Sec. 57.174. Duties of Tax Assessor and Collector**

"The county assessor and collector shall assess and collect taxes for the district."

**"Sec. 57.178. Alternative Authority for Appointment and Duties of District Officials**

"Notwithstanding any section or provision of this chapter to the contrary, the commissioners court of jurisdiction on its own motion may adopt and enter upon the minutes of such court an order permitting the district to select and appoint a treasurer and tax assessor and collector for the district. Thereafter, the board shall annually select and appoint the district's treasurer and tax assessor and collector and provide for their oaths, bonds, and compensation. Upon the appointment and qualification of such officials, the board and the district treasurer and the district tax assessor and collector shall have the powers, functions, duties, and responsibilities with respect to the levy of taxes, including maintenance taxes, when authorized, and the accounting, payment, investment, and handling of the district's funds, and the assessment and collection of taxes of the district as would otherwise be conferred in this chapter upon the county judge or commissioners court and the county treasurer and county tax assessor and collector respectively."

**"Sec. 57.251. Levy of Taxes on the Ad Valorem Basis**

"(a) If a district levies taxes on the ad valorem basis, it shall levy and have assessed and collected taxes on all taxable property in the district.

"(b) The taxes must be sufficient to pay the interest on the bonds as it is due, and to raise a sufficient amount to create a sinking fund to redeem and discharge the bonds at maturity."

**"Sec. 57.277. Levy of Maintenance Tax**

"(a) If a maintenance tax is approved at an election, the commissioners court of each county in which any portion of the district is located shall levy and have assessed and collected taxes on all taxable property inside the district based on the net benefits to the property that will be accomplished by the plan of reclamation if the district provides for levying taxes on a benefit basis or on the value of each piece of property if the district provides for levying taxes on the ad valorem basis.

"(b) The tax rate shall not be more than the specific rate approved at the election.

"(c) The district shall use money obtained from the maintenance tax only for maintenance, upkeep, and repair, to make additions to the levees and other improvements in the district, and for other purposes stated in this chapter."

**"Sec. 57.279. Collection of Delinquent Taxes**

"(a) Taxes levied on the benefit basis under this chapter are a first and prior lien on all property against which they are assessed and are payable, mature, and become delinquent as provided in the Property Tax Code for ad valorem taxes.

"(b) The Property Tax Code governs the collection of delinquent taxes levied on the benefit basis and the sale of property for the payment of the taxes."

**"Sec. 58.464. Adjustment of Tax Levy**

"(a) The board may from time to time increase or diminish the tax to adjust it for the taxable values of the property subject to taxation by the district and the amount required to be collected.

"(b) The board shall raise an amount sufficient to pay the annual interest of and principal on all outstanding bonds."

**"Sec. 58.509. Lien Created; No Limitation**

"Charges or assessments imposed by a district for maintenance and operation of works, facilities, and services of the district shall constitute a lien against the land to which the charges or assessments have been established. No law providing limitation against actions for debt shall apply."

**"Sec. 58.562. Law Governing Property Subject to Taxation**

"The property subject to taxation in the district shall be determined by and governed by the Property Tax Code."

**"Sec. 58.651. Setting Annual Value of Land Unnecessary**

"If the district adopts the uniform acreage valuation for taxation, the valuation shall be applied to all irrigable land in the district, and it is not necessary to annually fix the value of the land. It is also unnecessary for the board to appoint a commission to ascertain or fix the value of the improvement to particular land.

**"Sec. 58.652. Preparing Tax Rolls**

"(a) The board shall examine the tax rolls to determine if all property subject to taxation appears on the tax rolls. The board shall add to

the tax roll any property which was left off and shall examine, correct, and certify the tax roll.

"(b) Any property owner may protest to the board that his property has not been properly classified. The board shall consider the protest and enter its findings in the minutes in the manner provided by law."

**"Sec. 58.854. Law Governing Administration of Benefit Tax Plan**

"In a district that levies taxes on a benefit basis, the rate of taxation and the assessment and collection of taxes shall be governed by the law relating to ad valorem taxes to the extent applicable."

**"Sec. 58.804. Determining Amount of Tax**

"(a) The value of all of the taxable property of the district shall be taken at the assessed value, and an amount equal to the total of the principal and all interest to maturity on the bonds voted plus the estimated cost of collection of taxes shall be assessed against the taxable property of the district on the ad valorem basis.

"(b) The tax against the taxable property of each owner shall be that portion of the total principal and interest of the dissolution bonds and costs of collection which the assessed value of the taxable property of the owner bears to the total assessed values in the district."

**"Sec. 58.812. Preparing Tax Roll**

"Before the issuance and delivery of the bonds, a tax roll shall be prepared in the manner provided by the Property Tax Code."

**"Sec. 58.820. Collection of Dissolution Taxes**

"The county assessor and collector shall collect the taxes shown on the tax roll on the land located in the county for which he is assessor and collector."

**"Sec. 61.232. Limitation on Bond Issue**

"Outstanding bonds and additional bonds which are authorized may not be more than one-fourth of the assessed value of the real property in the district, as shown by the last tax roll for the district."

**"Sec. 61.237. Assessment and Collection of Taxes**

"The tax assessor and collector of each county in the district shall assess and collect district taxes."

**"Sec. 62.196. Duties of Attorney General**

"(a) Before the bonds are offered for sale, the district shall send to the attorney general:

"(1) a copy of the bonds to be issued;

"(2) a certified copy of the order of the commissioners court levying the tax;

"(3) a copy of the order of the commissioners court levying the tax to pay interest and provide a sinking fund;

"(4) a statement of the total bonded indebtedness of the district, including the series of bonds proposed and the assessed value of property for the purpose of taxation, as shown by the last official assessment by the district or, if the district has made no prior assessment, the last official assessment by the county; and

"(5) other information which the attorney general may require.

"(b) The attorney general shall carefully examine the bonds in connection with the facts, the constitution, and the laws on the execution of the bonds.

"(c) If as the result of the examination the attorney general finds that the bonds were issued in conformity with the constitution and laws and that they are valid and binding obligations on the district, he shall officially certify the bonds."

**"Sec. 62.251. Assessment and Collection of Taxes**

"The assessor and collector of each county in which the district is located shall assess and collect the taxes levied by the district in the county."

**"Sec. 63.285. Duty of Assessor and Collector**

"The assessor and collector shall assess and collect taxes for the district."

**"Sec. 63.327. Board of Equalization**

"(a) If the commission finds in favor of levying assessments, it shall appoint three persons who are electors of the district to be commissioners on the board of equalization and shall designate the time for the meeting of the board of equalization.

"(b) The board of equalization shall meet at the time fixed by the commission to receive the assessment lists or books of the district for examination, correction, equalization, and approval.

"(c) The secretary of the commission shall act as secretary for the board of equalization and shall keep a permanent record of the proceedings of the board of equalization.

"(d) Before beginning to perform the duties of the board of equalization, each member shall take the following oath: 'I \_\_\_\_\_ do solemnly swear (or affirm) that I will, to the best of my ability, make a full and complete examination, correction, and equalization of all property contained in the district as shown by the assessment lists or books of the assessor and collector and add all property not included of which I have knowledge.'

"(e) The oath shall be entered in the minutes by the secretary.

"(f) The completed tax roll shall be submitted to the board of equalization."

**"Sec. 63.329. Hearing by Board of Equalization**

"The owners of property shall have an opportunity to present evidence in hearings before the board of equalization. All interested persons shall have an opportunity to appear and present evidence as to the benefits or lack of benefits to property in which they are interested."

**"Sec. 63.339. Suit for Collection**

"(a) After the delinquent roll has been posted in the district office for 20 days, the attorney for the district may file suit for collection in any court with jurisdiction.

"(b) An attorney's or collection fee of 10 percent on the amount of principal and interest due at the time of filing the suit shall accrue against the property owner and shall be charged as costs of court. The attorney's or collection fee is collectible against the property owner and the property from the date of the filing of the suit.

"(c) Except as otherwise provided in this section, the suit shall be filed and prosecuted in the same manner as suits for the collection of delinquent ad valorem taxes.

"(d) It is not necessary in the suit to specifically plead and prove the orders, notices, rules, and regulations of the commission relating to the assessment or reassessment. It is sufficient for the petition or other pleading to allege that the proceedings with reference to the making of the improvements and the assessments or reassessments were held in

compliance with the law and that all prerequisites to the fixing of the assessment lien on the assessed property and the personal liability of the owner were performed."

(s) Section 2, Chapter 266, Acts of the 53rd Legislature, Regular Session, 1953, as amended (Article 4494n, Vernon's Texas Civil Statutes), is amended <sup>28</sup> to read as follows:

"Sec. 2. The Commissioners Court of any county which has voted to create a Hospital District shall have the power and the authority, and it shall be its duty, to levy on all property subject to hospital district taxation for the benefit of the District, a tax of not to exceed Seventy-five Cents (75¢) on the One Hundred Dollars (\$100.00) valuation of all taxable property within the Hospital District, for the purpose of (1) paying the interest on and creating a sinking fund for bonds which may have been assumed or which may be issued by the Hospital District for hospital purposes, as herein provided; (2) providing for the operation and maintenance of the hospital or hospital system; and (3) when requested by the Board of Hospital Managers and approved by the Commissioners Court, for the purpose of making further improvements and additions to the hospital system, and for the acquisition of necessary sites therefor, by purchase, lease or condemnation.

"The tax so levied shall be collected on all property subject to Hospital District taxation by the Assessor and Collector of Taxes for the county. All income of the Hospital District shall be deposited in the district depository. Warrants against Hospital District funds shall not require the signature of the County Clerk.

"The Commissioners Court shall have the authority to levy the tax aforesaid for the entire year in which the said Hospital District is established, for the purpose of securing funds to initiate the operation of the Hospital District, and to pay assumed bonds."

(t) Sections 12, 24, and 29, Chapter 199, Acts of the 55th Legislature, Regular Session, 1957 (Article 4494o, Vernon's Texas Civil Statutes), are amended <sup>29</sup> to read as follows:

"Sec. 12. If the proceeds of the original bond issue shall be insufficient to complete the construction and/or equipment and/or maintenance and/or purchase of hospital buildings and grounds for such district, or if the Trustees determine to provide for additional construction and/or equipment and/or maintenance and/or purchase of hospital buildings and grounds, they shall certify to said court the necessity for an additional bond issue, stating the amount required, the purpose of same, the rate of interest of said bonds and the time for which they are to run. Said court shall thereupon order an election on the issuance of said bonds to be held within such district at the earliest possible legal time. The outstanding bonds and the additional bonds so ordered shall not exceed in amount one-fourth of the assessed value of the real property in such district, as shown by the latest annual assessment thereof made for county taxation."

"Sec. 24. The county tax assessor-collector shall assess and collect taxes for the district."

"Sec. 29. After the establishment of a district, and upon the petition of not less than five per cent (5%) of the qualified taxpaying voters

28. Vernon's Ann.Civ.St. art. 4494n, § 2.

29. Vernon's Ann.Civ.St. art. 4494o, §§ 12, 24, 29.

thereof, the court may order an election to determine whether or not such district shall have a separate tax assessor and collector. Notice of such election shall be given as in the original election, and if said proposition carries by a two-thirds vote, the said Trustees shall appoint a suitable person as assessor and collector."

(u) Subsections (a) and (b), Section 4, Chapter 482, Acts of the 55th Legislature, Regular Session, 1957 (Article 4494p, Vernon's Texas Civil Statutes), are amended <sup>30</sup> to read as follows:

"(a) The Commissioners Court of any county which has voted to create a hospital district shall have the power and the authority, and it shall be its duty, to levy on all property subject to hospital district taxation for the benefit of the district, a tax of not to exceed the amount determined by the Commissioners Court in calling the election and so stated on the ballot in which the district was approved, on the One Hundred Dollars (\$100) valuation of all taxable property within the hospital district, for the purpose of (1) paying the interest on and creating a sinking fund for bonds which may have been assumed or which may be issued by the hospital district for hospital purposes, as herein provided; (2) providing for the operation and maintenance of the hospital or hospital system; and (3) for the purpose of making further improvements and additions to the hospital system, and for the acquisition of necessary sites therefor, by purchase, lease or condemnation.

"(b) The tax so levied shall be collected on all property subject to hospital district taxation by the assessor and collector of taxes for the county. All income of the hospital district shall be deposited in the district depository. Warrants against hospital district funds shall not require the signature of the county clerk."

(v) Section 5.07, Chapter 409, Acts of the 61st Legislature, Regular Session, 1969 (Article 7621d—2, Vernon's Texas Civil Statutes), is amended <sup>31</sup> to read as follows:

#### Tax assessor and collector

"Sec. 5.07. The tax assessor and collector of each county in which the authority is located shall act as the tax assessor and collector for the authority for property located in such county."

(w) Section 12, Chapter 57, Acts of the 55th Legislature, Regular Session, 1957, as amended (Article 2351a—6, Vernon's Texas Civil Statutes), is amended <sup>32</sup> to read as follows:

"Sec. 12. No indebtedness shall be contracted in any one year in excess of funds then on hand or which may be satisfied out of current revenues for the year. The Board of Fire Commissioners shall annually levy and cause to be assessed and collected a tax upon all properties, real and personal, situated within the district and subject to district taxation, in an amount not to exceed three cents (3¢) on the One Hundred Dollars (\$100) valuation for the support of the district, and for the purposes authorized in this Act. Such tax levy shall be certified to the County Tax Assessor-Collector, who shall be the Assessor-Collector for the district."

30. Vernon's Ann.Civ.St. art. 4494p, § 4, subsecs. (a), (b).

32. Vernon's Ann.Civ.St. art. 2351a—6, § 12.

31. V.A.T.S. Water Auxiliary Laws, Table III.



Sec. 5. (a) Section 11.72 of the Texas Education Code, as added, is amended <sup>33</sup> to read as follows:

**"Sec. 11.72. Board Defined**

**"In this subchapter, 'board' means the State Property Tax Board."**

(b) Subsection (b) of Section 20.03 of the Texas Education Code, as amended, is amended <sup>34</sup> to read as follows:

**"(b) A school district may not levy a tax for the maintenance and operation of its schools which would generate an amount of local maintenance revenues in excess of the amount determined by multiplying an index rate of \$1.40 per \$100 of the total market value of the district's taxable property as determined by the State Property Tax Board for the year on which the local fund assignment is based. Provided, however, that for the 1977-1978 and 1978-1979 school years the total market value of the district's taxable property shall be that determined by the Governor's Office, Education Resources."**

Sec. 6. (a) The following laws are repealed:

(1) The following articles and acts as compiled in Vernon's Texas Civil Statutes: 46d-16; 964; 1027a; 1027a-1; 1027b; 1027c; 1027c-1; 1027d; 1027e; 1027f; 1027g; 1027h; 1027i; 1027j; 1027k; 1028a; 1036; 1037; 1038; 1042; 1042a; 1042b; 1043; 1044; 1045; 1046; 1047; 1048; 1049; 1050; 1051; 1052; 1053; 1054; 1055; 1056; 1057; 1058; 1059; 1060; 1060a; 1061; 1062; 1063; 1064; 1065; 1066; 1066b; 1148; 1301a, Secs. 17 and 22; 3937; 3937a; 3938; 3939; 3940; 4494i-1, Section 15; 4494n, Secs. 2a and 2b; 4494o, Secs. 25, 26, 27, and 28; 4494r, Section 16; 4494r-4, Section 2; 5248; 7041; 7042; 7043; 7044; 7044a; 7045; 7098; 7098a; 7099; 7146; 7147; 7147a; 7148; 7149; 7150j; 7150k; 7150l; 7150m; 7150n; 7151; 7152; 7153; 7154; 7155; 7156; 7157; 7158; 7159; 7160; 7161; 7162; 7163; 7164; 7164a; 7164b; 7165; 7166; 7167; 7168; 7169a; 7170; 7171; 7172; 7173; 7173a; 7174; 7175; 7176; 7181a; 7183; 7184; 7185; 7186; 7187; 7188; 7189; 7190; 7191; 7192; 7193; 7194; 7195; 7196; 7197; 7198; 7199; 7200; 7201; 7202; 7203; 7204; 7205; 7206; 7207; 7208; 7209; 7210; 7211; 7212; 7213; 7214; 7215; 7216; 7217; 7218; 7219; 7220; 7221; 7222; 7223; 7224; 7225; 7226; 7227; 7242; 7243; 7244; 7244a; 7244c; 7245; 7246; 7246½; 7246a; 7246a-1; 7247; 7248; 7249; 7249a; 7250; 7251; 7252; 7253; 7254; 7255; 7255b; 7256; 7257; 7258; 7258b; 7259; 7261; 7262; 7263; 7264; 7264a; 7265; 7266; 7267; 7268; 7269; 7270; 7271; 7272; 7273; 7274; 7275; 7276; 7277; 7278; 7279; 7280; 7281; 7282; 7283; 7284; 7284a; 7284b; 7285; 7286; 7287; 7288; 7289; 7290; 7291; 7292; 7293; 7294; 7295; 7296; 7297; 7298; 7298a; 7299; 7300; 7301; 7302; 7303; 7304; 7305; 7306; 7307; 7308; 7309; 7310; 7311; 7312; 7313; 7314; 7315; 7316; 7317; 7318; 7319; 7320; 7321; 7321a; 7322; 7323; 7324; 7325; 7326; 7326a; 7327; 7328; 7328.1; 7328.2; 7328a; 7329; 7329a; 7330; 7331; 7332; 7333; 7334; 7335; 7335a; 7335b; 7336; 7336.1; 7336a; 7336c; 7336d; 7336e; 7336f; 7336g; 7336h; 7336i; 7336j; 7337; 7338; 7339; 7340; 7341; 7342; 7343; 7344; 7345; 7345a; 7345b; 7345b-1; 7345b-2; 7345b-3; 7345c; 7345d; 7345d-1; 7345e; 7345f; 7346; 7347; 7348; 7349; 7350; 7351; 7352; 7353; 7354; 7355; 7356; 7357; 7358; 7359; 7872; 7873; 7874; 7875; 7876; 7878.

(2) The following provisions of the Texas Education Code: Sections 11.74; 11.75; 11.76; 11.77; 11.78; 11.79; 11.80; 11.81; 11.82; 11.84;

33. V.T.C.A. Education Code, § 11.72.

34. V.T.C.A. Education Code, § 20.03, subsec. (b).

11.85; 17.84; 18.27; 20.03; 20.44; 22.11, Subsecs. (b), (d), (f); 22.12, Subsec. (g); 23.91; 23.93, Subsecs. (b), (c), (d); 23.94; 23.95, Subsec. (e); 23.97, Subsec. (c); 23.98; 24.07(a).

(3) The following provisions of the Water Code: Sections 51.086; 51.434; 51.435; 51.534; 51.537; 51.562; 51.563; 51.564; 51.565; 51.566; 51.567; 51.568; 51.569; 51.570; 51.571; 51.572; 51.573; 51.574; 51.575; 51.576; 51.577; 51.578; 51.579; 51.580; 51.581; 51.582; 51.583; 51.584; 51.585; 51.586; 51.587; 51.588; 51.589; 51.590; 51.592; 51.593; 51.594; 51.595; 51.596; 51.597; 51.598; 51.599; 51.600; 51.601; 51.654; 51.813; 51.814; 51.815; 51.816; 51.817; 51.818; 53.074; 53.078; 53.079; 53.080; 53.081; 53.082; 53.083; 53.191; 53.192; 53.193; 53.194; 53.195; 53.196; 53.199; 53.200; 54.123, Subsecs. (b), (c); 54.602, Subsec. (a); 54.605; 54.606; 54.607; 54.608; 54.609; 54.610; 54.611; 54.612; 54.613; 54.614; 54.615; 54.616; 54.617; 54.618; 54.619; 54.620; 54.621; 54.622; 54.623; 54.624; 54.625; 54.626; 54.627; 54.628; 54.629; 54.630; 54.631; 54.632; 54.633; 54.634; 54.635; 54.636; 54.637; 55.117; 55.582; 55.583; 55.584; 55.585; 55.586; 55.587; 55.588; 55.589; 55.590; 55.591; 55.592; 55.593; 55.594; 55.595; 55.596; 55.597; 55.598; 55.599; 55.602; 55.603; 55.605; 55.606; 55.607; 55.608; 55.609; 55.610; 55.611; 55.612; 55.613; 55.614; 55.615; 55.616; 55.617; 55.618; 55.619; 55.621; 55.622; 55.623; 55.624; 55.675; 56.074; 56.075; 56.243; 56.244; 56.245; 56.246; 56.298; 57.175; 57.176; 57.252; 57.253; 57.254; 57.255; 57.256; 57.257; 57.258, Subsecs. (c) and (d); 57.280; 57.281; 57.282; 57.283; 57.284; 57.345; 58.465; 58.563; 58.564; 58.565; 58.566; 58.567; 58.568; 58.569; 58.570; 58.571; 58.572; 58.573; 58.574; 58.575; 58.576; 58.577; 58.578; 58.579; 58.580; 58.581; 58.582; 58.583; 58.584; 58.586; 58.587; 58.588; 58.589; 58.590; 58.591; 58.592; 58.593; 58.594; 58.595; 58.596; 58.597; 58.598; 58.599; 58.600; 58.813; 58.819; 58.823; 58.824; 62.252; 62.253; 62.254; 62.255; 62.256; 62.257; 62.258; 62.259; 63.102; 63.284; 63.286; 63.287; 63.288; 63.289; 63.290; 63.291; 63.292; 63.293; 63.294; 63.295; 63.296; 63.297.

(b) <sup>35</sup> All other general, local, and special laws in conflict with this Act are repealed to the extent of the conflict, and the failure expressly to repeal or amend any law in conflict with this Act is not evidence of a legislative intent that the law not be repealed.

(c) <sup>36</sup> The following articles and acts as compiled in Vernon's Texas Civil Statutes are repealed: 7105; 7105a; 7106; 7107; 7108; 7109; 7110; 7111; 7112; 7113; 7114; 7115; 7116; 7169.

(d) <sup>37</sup> The following articles and acts as compiled in Vernon's Texas Civil Statutes are repealed: 7145; 7150; 7150b; 7150c; 7150d; 7150e; 7150f; 7150g; 7150h; 7150i.

(e) <sup>38</sup> The following sections of the Texas Education Code are repealed: Sections 11.73, 11.83, 11.88.

(f) <sup>39</sup> If House Bill No. 1060, 66th Legislature, Regular Session, 1979,<sup>40</sup> is enacted, the following articles of the Revised Civil Statutes of Texas, 1925, enacted by that Act, are repealed:

35. Prec. V.T.C.A. Tax Code § 1.01 note.

36. Vernon's Ann.Civ.St. arts. 7106 to 7116, 7169, repealed.

37. Vernon's Ann.Civ.St. arts. 7145, 7150, 7150b to 7150i, repealed.

38. V.T.C.A. Education Code, §§ 11.73, 11.83, 11.88, repealed.

39. Vernon's Ann.Civ.St. arts. 7150.2 to 7150.6, 7174A, 7174B, repealed.

40. Chapter 302.

- (1) 7150.2, 7150.3, 7150.4, 7150.5, and 7150.6; and
- (2) 7174A and 7174B.

Sec. 7. (a) <sup>41</sup> Every power or duty relating to the administration of ad valorem taxation that is conferred on the comptroller of public accounts by a law that is repealed by this Act is transferred to the State Property Tax Board. The powers and duties relating to administration of ad valorem taxation that are conferred on the comptroller of public accounts by Article 7260, Revised Civil Statutes of Texas, 1925, as amended, are transferred to the State Property Tax Board.

(b) <sup>42</sup> On January 1, 1980, all books and records, property, and personnel in the office of the comptroller of public accounts that are involved or used in administration of ad valorem taxation are transferred to the State Property Tax Board. The state auditor shall resolve any dispute over what property, books, or records are subject to this section, and the auditor's decision is final.

Sec. 8. (a) <sup>43</sup> The name of the School Tax Assessment Practices Board is changed to the State Property Tax Board, and its members serve as members of the State Property Tax Board for the terms to which each was appointed to serve on the School Tax Assessment Practices Board. A reference to the School Tax Assessment Practices Board by a statute means the State Property Tax Board. All books, records, property, and personnel of the School Tax Assessment Practices Board are transferred to the State Property Tax Board.

(b) <sup>44</sup> The repeal by this Act of the laws establishing the School Tax Assessment Practices Board and its powers and duties does not affect:

- (1) the prior operation of those laws or any prior action taken under them;
- (2) any right, privilege, obligation, or liability previously acquired, accrued, accorded, or incurred under them;
- (3) any violation of those laws or any penalty, forfeiture, or punishment imposed under them prior to the repeal; or
- (4) any investigation, proceeding, or remedy relating to any right, privilege, obligation, liability, penalty, forfeiture, or punishment under the prior laws, and the investigation, proceeding, or remedy may be instituted, continued, or enforced, and the penalty, forfeiture, or punishment imposed, as if the laws had not been repealed, except that if a penalty, forfeiture, or punishment is reduced or is not replaced in this Act, it shall be imposed according to the terms of this Act.

(c) For the purposes of Subsection (b) of this section, the State Property Tax Board assumes the powers, duties, rights, privileges, and obligations of the School Tax Assessment Practices Board.

Sec. 9. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby

41. V.T.C.A. Tax Code, § 5.03 note; Vernon's Ann.Civ.St. art. 7260 note.  
42. Vernon's Ann.Civ.St. art. 4344 note; V.T.C.A. Tax Code, § 5.01 note.

43. V.T.C.A. Education Code, prec. § 11.71 note; V.T.C.A. Tax Code, § 5.01 note.  
44. V.T.C.A. Education Code, prec. § 11.71 note.

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suspended, and that this Act take effect according to its terms, and it is so enacted.

Passed the Senate on May 4, 1979: Yeas 17, Nays 6, one paired vote;

Senate concurred in House amendments on May 26, 1979: Yeas 15,

Nays 14; passed the House, with amendments, on May 24, 1979:

Yeas 67, Nays 65, one present not voting.

Approved June 13, 1979.

Effective Jan. 1, 1982, except as provided in § 3.